Hemophilia Council of California
Health Access, Advocacy , and Policy Webinar

Co-Pay Accumulator Adjustors Strike Back: **What You Need to Know for Your Care**

Presented by:
Kollet Koulianos
National Hemophilia Foundation

HCC's 2019 Webinar series is sponsored by:

Takeda

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HEMOPHILIA COUNCIL OF CALIFORNIA

NATIONAL HEMOPHILIA FOUNDATION
for all bleeding disorders

COPAY ACCUMULATOR ADJUSTMENT PROGRAMS

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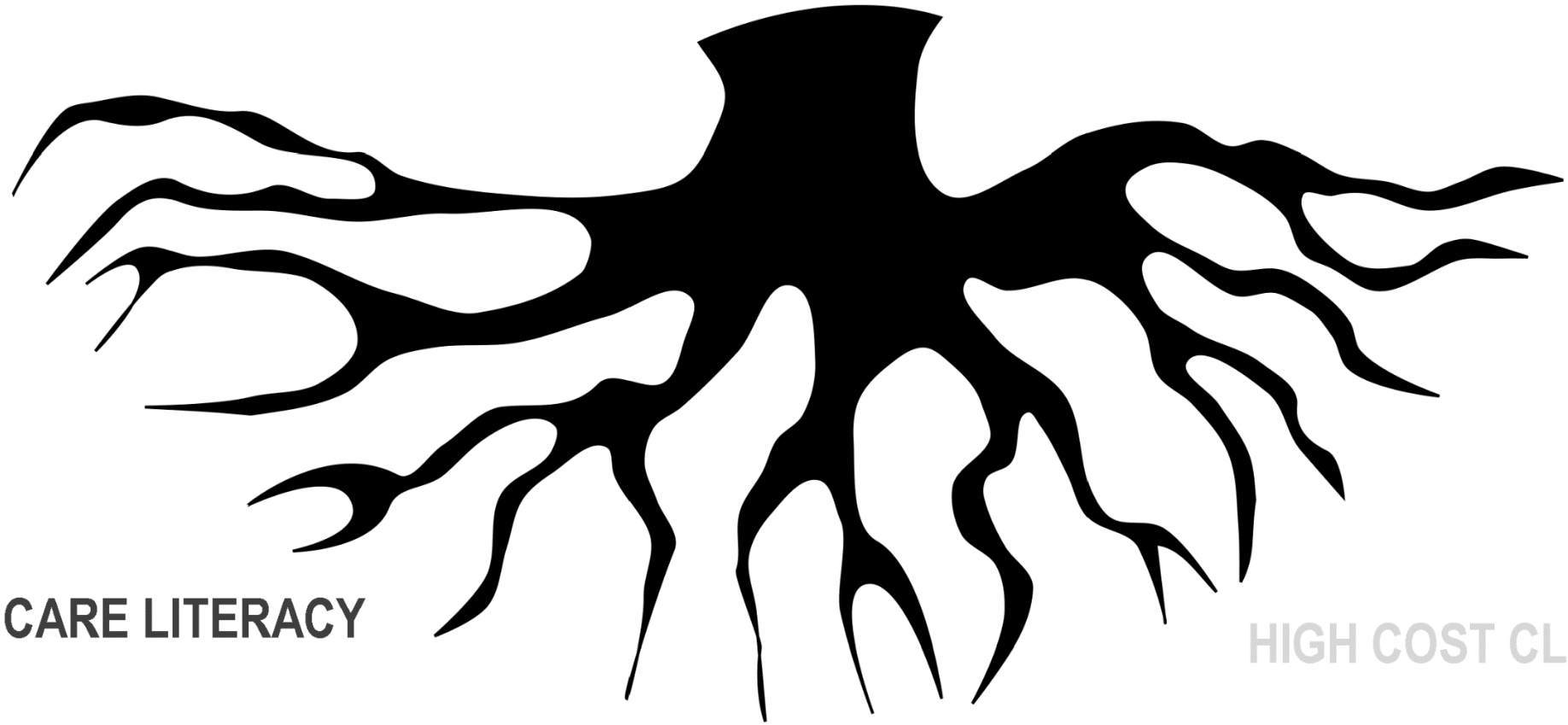
NATIONAL HEMOPHILIA FOUNDATION

IT'S IMPORTANT TO START AT THE ROOT BEFORE UNDERSTANDING THE COPAY ACCUMULATOR ADJUSTMENT PROBLEM



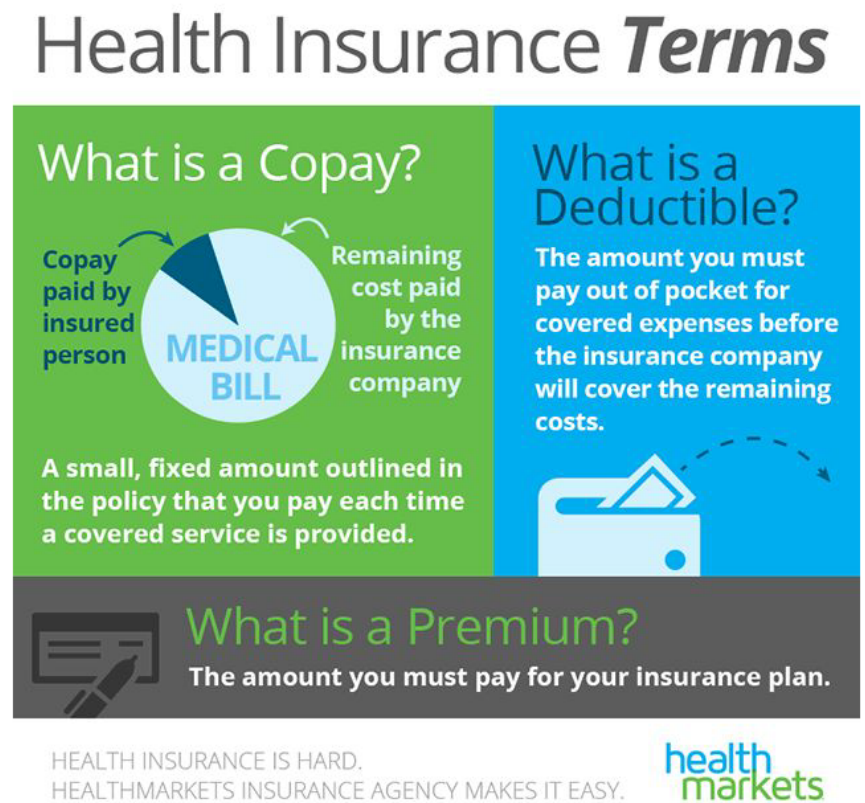
HEALTH CARE LITERACY

HIGH COST CLAIMANTS

U.S. HEALTHCARE LITERACY

•Only 9% of the U.S. population showed an understanding of all four of these basic health insurance terms. That's a slight increase from just 7% last year.

WHAT SHOULD YOU KNOW?



HEALTH CARE OUT OF POCKET COSTS

Key Terms

insure123

Deductible
The annual amount you pay before your plan starts to pay

Copay
A flat $ amount you pay for covered services like doctor visits

Coinsurance
After your deductible is met, you share responsibility for payments with the insurance company: You pay a %, and the company pays a %

Out-of-pocket maximum
The maximum $$ amount you have to pay each year for medical services. Check your plan details to see if your deductible is part of your Out-of-Pocket maximum

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Does not count towards a members accumulator.

Premium
The amount you pay to obtain a health insurance plan. This premium is completely separate from your coverages (insurance coverages = deductible, copay, coinsurance and out of pocket maximum)

IF CHOICE IS AN OPTION

WHAT ALL SHOULD BE CONSIDERED?

PPO POS

VS.

HMO

VS. PCP

VS.

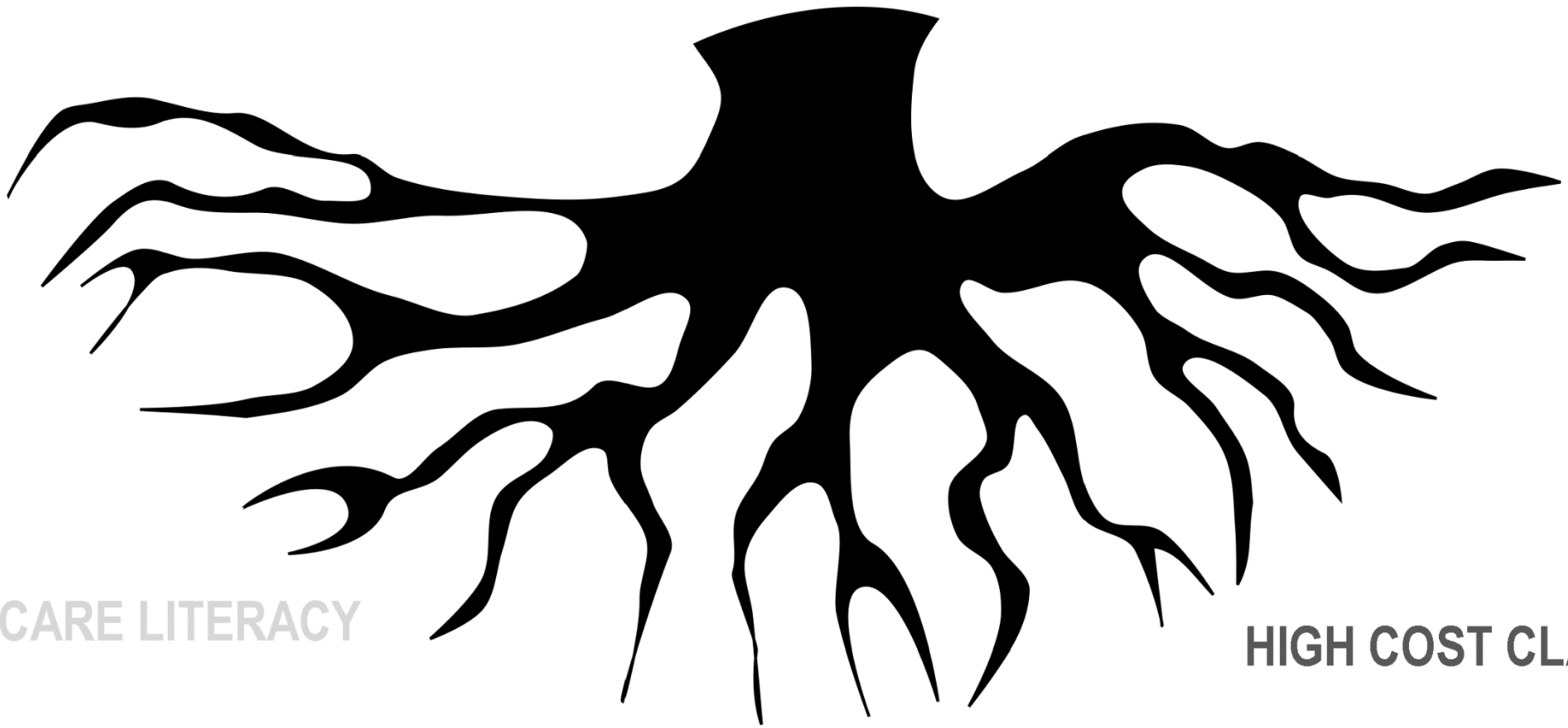
MEC

HDHP

EPO

WHERE DO I BEGIN?

IT'S IMPORTANT TO START AT THE ROOT BEFORE UNDERSTANDING THE COPAY ACCUMULATOR ADJUSTMENT PROBLEM



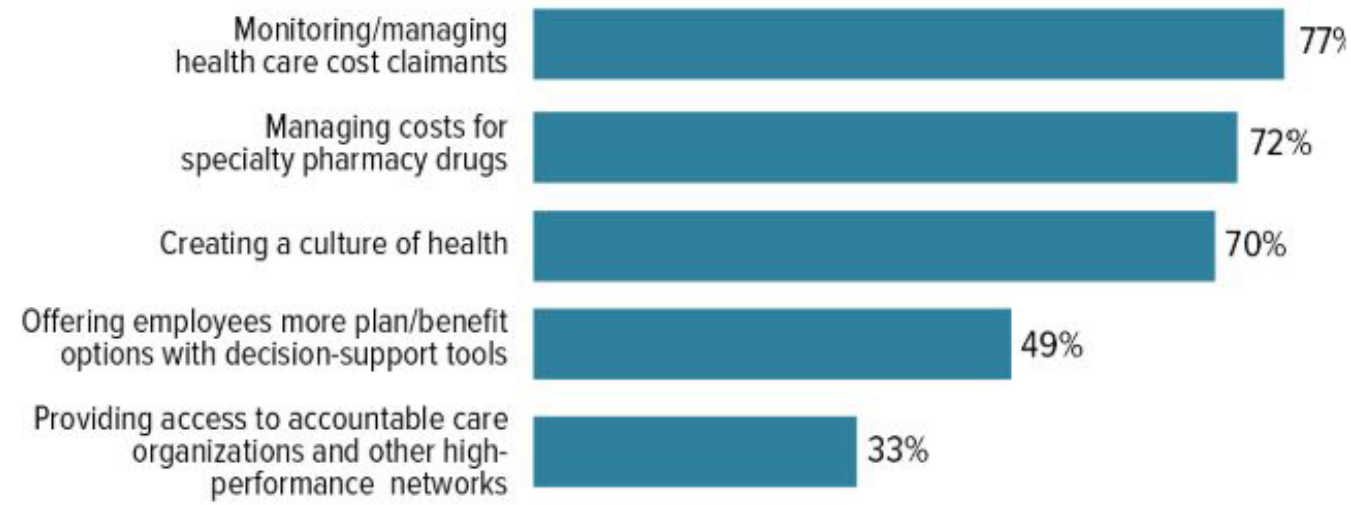
HEALTH CARE LITERACY

HIGH COST CLAIMANTS

HEALTH PLANS TARGETING HIGH COST CLAIMANTS

Large Employers Rank Key Strategies to Contain Health Care Costs

Employers rated the following cost-controlling strategies as important or very important:



HIGH COST CLAIMANTS

HIGH COST CLAIMANTS DEFINED >$50,000

PRIVATE HEALTH INSURANCE HCC DATA

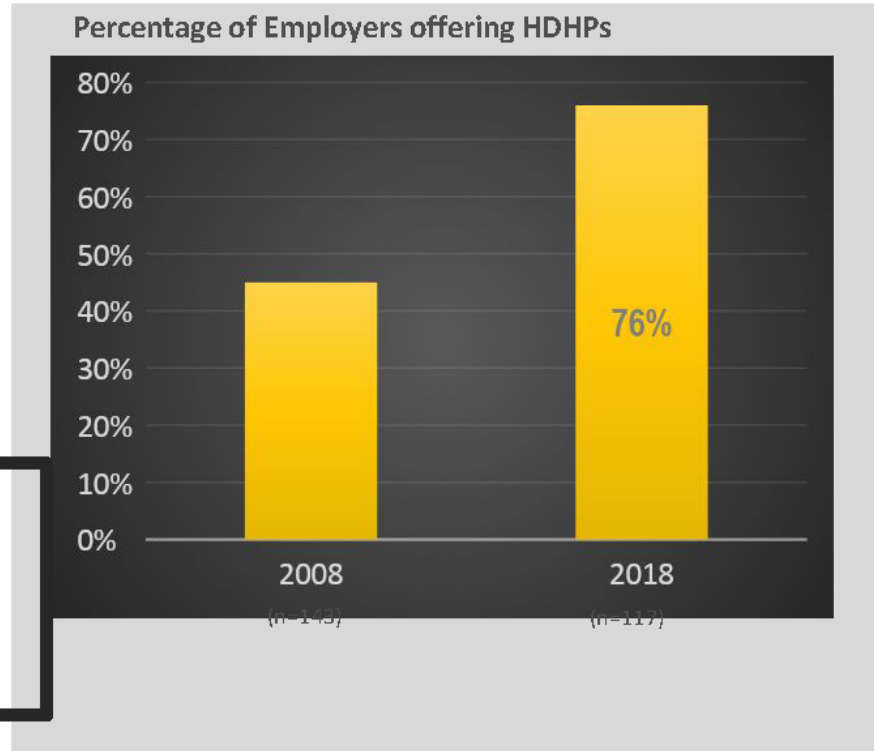
- Avg $122,382 annually
- 29.3 times higher than average
- 1.2% of population are HCC's
- Accounts for 31% of spend
- Tops List:
  - Cancer
  - Live Births/Perinatal
  - Blood Disease

TOP UTILIZATION MANAGEMENT STRATEGIES

PROSPECTIVE UM- Occurs at onset of treatment
CONCURRENT UM – Occurs during treatment
RETROSPECTIVE UM – Occurs after services to determine appropriateness and how well managed

- **HDHP'S**
- Prior Authorization
- Pre-Approval
- Pre-Certification
- Step Therapy
- Step Edits
- Fail First
- Quantity Limits
- **COPAY ACCUMULATOR ADJUSTMENT PROGRAMS**
- Copay Maximization Allowance Programs

IN AN ATTEMPT TO MANAGE DIRECT HEALTHCARE COSTS, MANY EMPLOYERS HAVE TURNED TO HDHPs WITH HSAs[1]



39% OF SELF FUNDED PLANS ONLY OFFER HDHP'S

Potential reasons for offering HDHPs

- Help keep overall healthcare spend down
- Remain below Cadillac Tax thresholds
- Members need to have more "**skin in the game**"
- Members need to be "**smarter healthcare consumers**"

>80% OF CONSUMER-DIRECTED HEALTH PLANS **ARE LINKED TO AN HSA**

HSA=health savings account.

Reference: 1. Benfield, Arthur J. Gallagher & Co. *Employer Market Intelligence: Employer Market Trends.* Report presented at: AbbVie; 2018; Chicago, IL.

OVER 160 ABSTRACTS/PUBLICATIONS SHOW LINK BETWEEN INCREASED COST AND LOWER UTILIZATION

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New Analysis Shows Impact
Plans on Healthcare Utili-

A new study released by
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High-Deductible Health Plans Do Not Work

High healthcare costs are a top-of-mind concern for a majority of American consumers. According to a nationally representative Consumer Reports survey released in January 2017, more than half (55%) of Americans are either only slightly or not at all confident that they will have access to affordable health insurance in the coming year.[1] High-deductible health plans (HDHPs) require consumers to pay the first dollars of their care, doubling-down on their fears that affordable healthcare is out of reach.

High-deductible health plans are promoted as a tool to contain healthcare costs. Yet, HDHPs as a solution ignores the fact that consumers have little control over their healthcare spending. Further, HDHPs fail to address marketplace failures as they do not motivate providers to lower their prices or practice medicine more efficiently.

In many proposals, HDHPs are combined with the promise of tax savings through Health Savings Accounts (HSAs). However, most consumers will get little to no benefit from these tax exemptions, which disproportionately benefit the affluent. Instead, they will find themselves underinsured for costly healthcare, and incentivized to avoid care altogether regardless of value.

There are many documented failings of HDHPs, including:

HDHPs fail to adequately cover most consumers.

- HDHPs are regressive because they are a one-size-fits-all policy that simply doesn't work for families who are not affluent.
- Survey data find that 23% of insured, non-elderly adults have such high out-of-pocket ts or deductibles relative to their incomes that it effectively renders them

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TOPICS JOURNAL

PRIVATE HEALTH INSURANCE

O. 10: EMERGENCY DEPARTMENTS, BEHAVIORAL HEALTH & MORE

e Health Plans Reduce Health
ilization, Including Use Of
e Services

...ko[4], and Nir Menachemi[3]

EQUATING TO AN INCREASE IN TOTAL COST OF CARE FOR MANY HCC'S

IN THE NEWS

Los Angeles Times

Column: They're called 'co-pay accumulators,' and they're a way insurers make you pay more for meds

As use of discount coupons for prescription drugs grows, insurers are responding by not counting the coupons against a patient's deductible. (AFP/Getty Images)

ACCUMULATOR DEFINED

Accumulator refers to the tracking of a members out of pocket expenditures incurred to meet their deductible, co-insurance and copayments, until they meet the plans max annual OOP (which is anything up to the ACA max OOP)

ACCUMULATOR ADJUSTMENT PROGRAMS

A program used by PBM that distinguishes when copay assistance is used and resets the members accumulator to reflect only what he/she contributes.

High Deductible Health Plans Meet Copay Accumulator Adjustment Programs

CAAPS have greatest impact on HDHP plans

43% of individuals with private insurance are on HDHP

- In 2017 > 1/3 of employers offered HDHP's only

IRS minimum deductible to qualify as HDHP/HSA plan $1,400 Individual / $2,800 Family

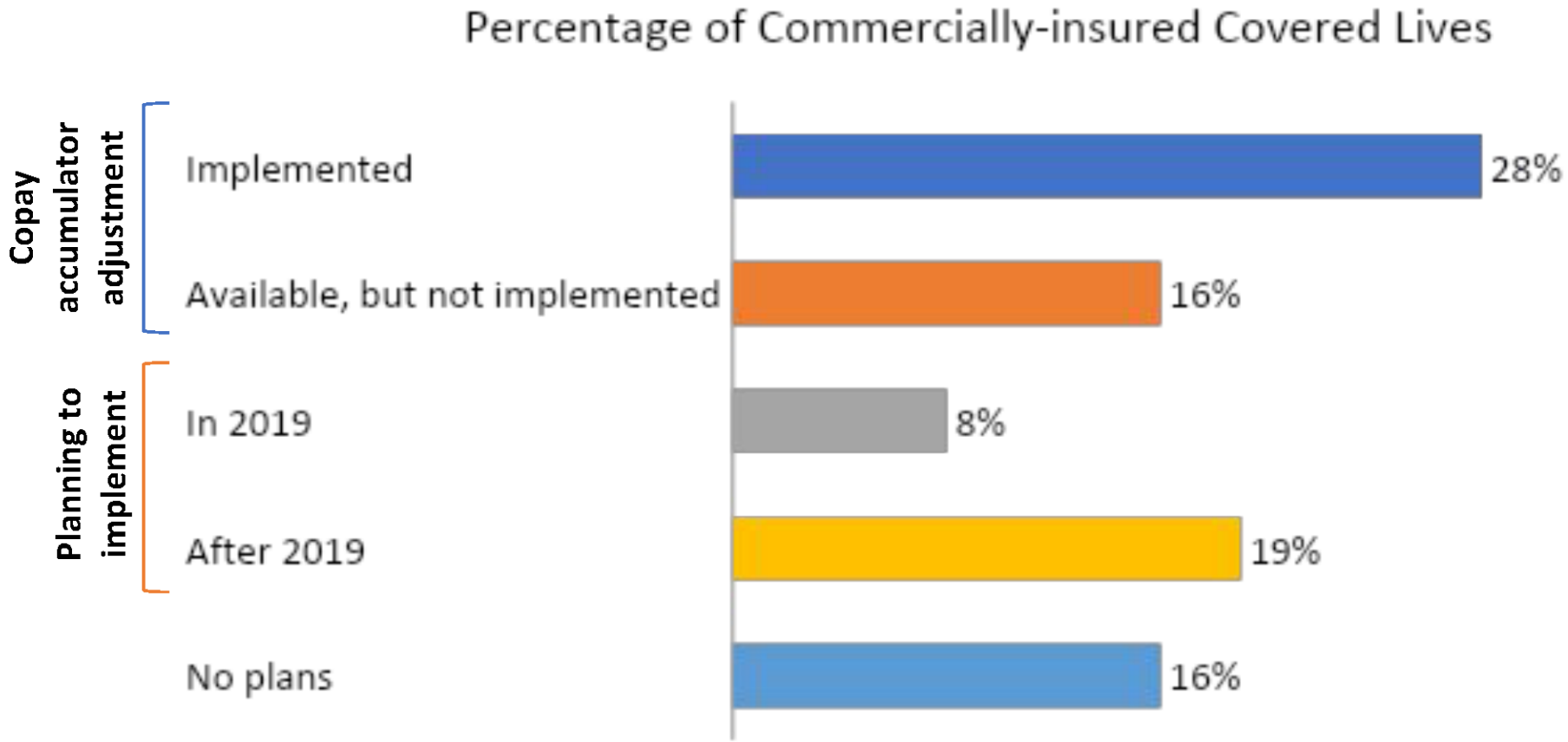
- On average, with individual California health insurance plans, the range of deductible ranges from $500-$5000.
- Higher deductible plans are usually thought of as $1500 or $2000 plus.

2019 Max OOP is $7,900 individual / $15,800 family

2020 SPEND / SAVINGS CAPS

TYPE OF HEALTH PLAN	INDIVIDUAL MAX OOP	FAMILY MAX OOP	HSA CONTRIBUTIONS
ALL HEALTH PLANS OTHER THAN HDHP	$8.150	$16,300	
HDHP HSA	$6,900	$13,800	$3,550 IND $7,100 FAM

Copay Accumulator Use in 2018

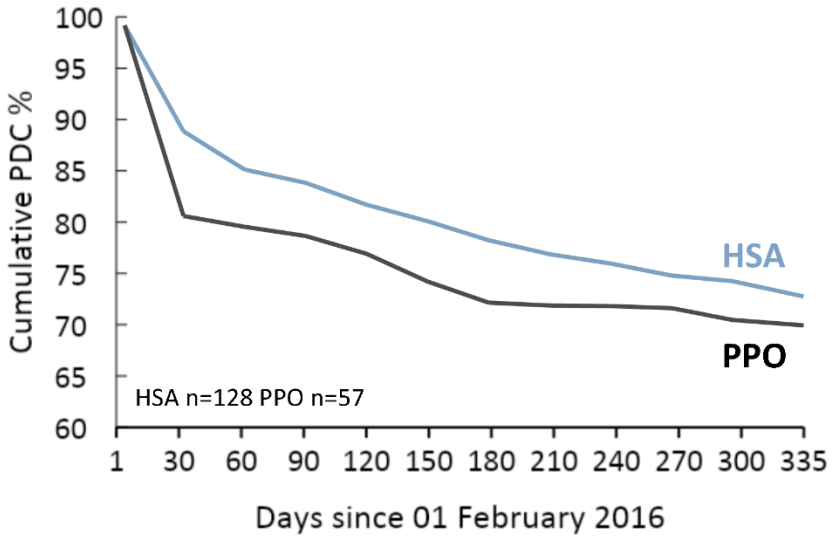


Sample includes 49 payers and PBMs, representing 147 million commercially-insured covered individuals.

Fein AJ, Copay Accumulator Update. Widespread Adoption as Manufacturers and Maximizers Limit Patent Impact. https://www.drugchannels.net/2018/12/copay-accumulator-update-widespread.html. Accessed May 2019.

Members Affected by Copay Accumulator Adjustment Programs Demonstrated Decreased Refill Adherence

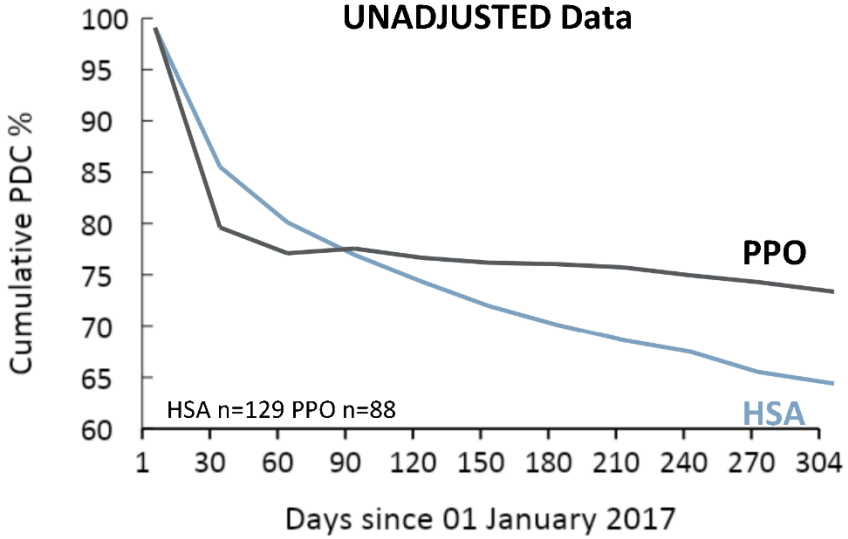
2016 Refill Adherence
NO Copay Accumulator Adjustor Program
UNADJUSTED Data



Adjusted Difference in PDC for HSA Members

0.2%
95% CI: -9.6, 10.0

2017 Refill Adherence
WITH Copay Accumulator Adjustor Program
UNADJUSTED Data



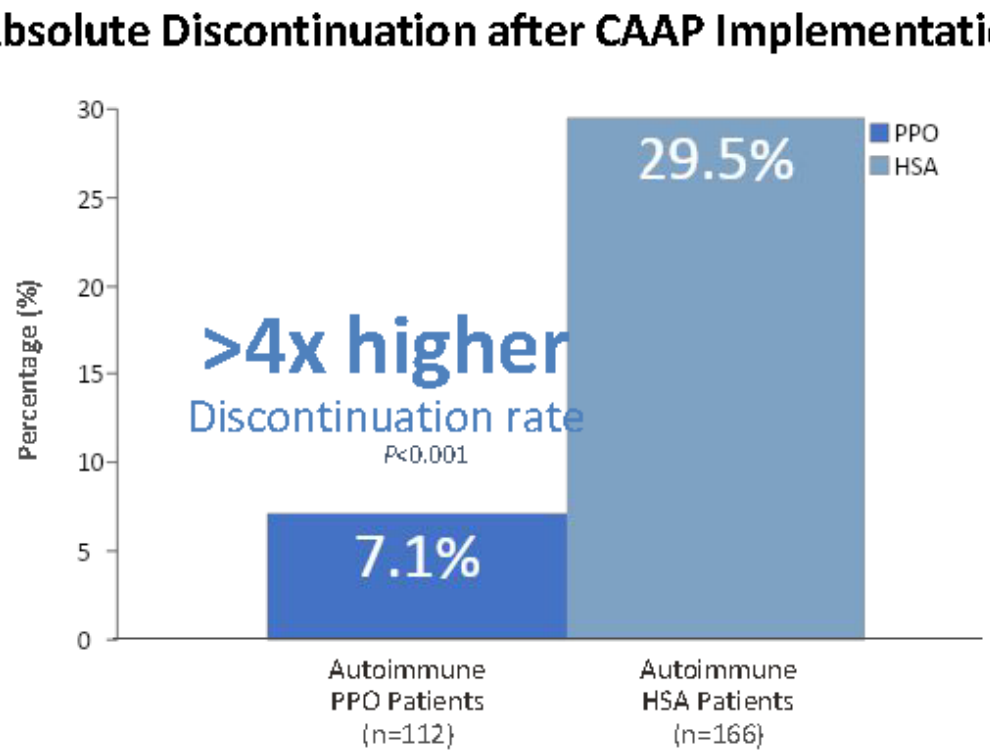
Adjusted Difference in PDC for HSA Members

11.7%
95% CI: 2.7, 20.6

PDC: Proportion of Days Covered

Bruce W. Sherman, Andrew J. Epstein, Brian Meissner, Manish Mittal. The Impact of a Copay Accumulator Adjustment Program on Autoimmune Specialty Drug Use. Poster presented at Academy of Managed Care Pharmacy (AMCP) Nexus; October 22-25, 2018, Orlando, Florida.

Absolute Discontinuation Rates were Significantly Higher in the HSA Plan vs. the PPO Plan



- Sample is identical to treatment discontinuation analysis.
- Final outcomes were measured relative to the earlier date of 10/31/17 and the end of a patient's insurance coverage.
- Continuation was detected when a patient continuously refilled without a 60-day gap.
- Switching was detected when a patient filled a prescription for a new drug.
- Restarting was detected when a patient had a gap of >60 days between end of supply and subsequent fill.
- Absolute discontinuation was detected when the patient exhausted supply for >60 days and did not switch or restart.

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DIDN'T WORK HERE....OVER 160 ABSTRACTS/PUBLICATIONS SHOW LINK BETWEEN INCREASED COST AND LOWER UTILIZATION

New Analysis Shows Impa
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ARTICLE PRIVATE HEALTH INSURANCE

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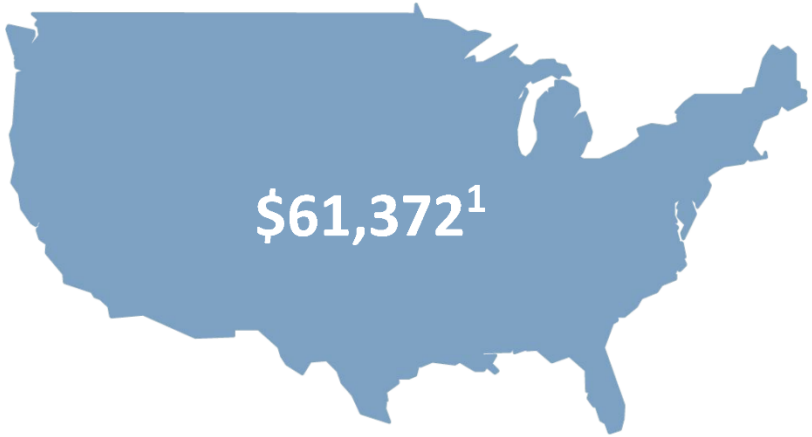
..lazurenko[2], and Nir Menachemi[3]

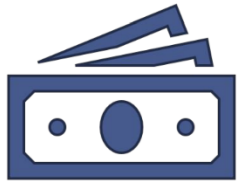
EQUATING TO AN INCREASE IN TOTAL COST OF CARE FOR MANY HCC'S

COST SHIFTING STRATEGIES MEET THE FACTS

Living with a chronic disease

Median Household Income in the U.S. [1]





Individual Max OOP $8,150

Family Max OOP $16,300

More than 3 in 4 US workers live paycheck-to-paycheck[2]

2 in 3 Americans don't have enough money to cover a $500 emergency[3]

*2016 inflation-adjusted dollars.

References: 1. United States Census Bureau. CNBC United States Median Household Income Sept 2018. https://www.cnbc.com/2018/09/12/median-household-income-climbs-to-new-high-of-61372.
2. CareerBuilder for-Majority-of-U-S-Work. Living Paycheck to Paycheck Is a Way of Life for Majority of U.S. Workers.
https://press.careerbuilder.com/2017-08-24-Living-Paycheck-to-Paycheck-Is-a-Way-of-Life-ers-According-to-New-CareerBuilder-Survey. Published August 24, 2017. Accessed June 5, 2018. 3. Forbes
https://www.forbes.com/sites/maggiemcgrath/2016/01/06/63-of-americans-dont-have-enough-savings-to-cover-a-500-emergency/#2e56648e4e0d

QUESTIONS?

HEMOPHILIA COUNCIL OF CALIFORNIA

Questions?

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Thank you for joining us!

Reminder: this webinar is part of a series of educational webinars presented by the Hemophilia Council of California.

A recording and slides will be available in a few weeks at http://www.hemophiliaca.org/programs/webinars/