



June 9, 2020

Chairman P. Scott Lipps
House Health Committee
77 S. High St., 13th Floor
Columbus, Ohio 43215

Dear Chairman Lipps,

On behalf of the Ohio Association of Health Plans (OAHP), thank you for the opportunity to offer written opponent testimony on House Bill 469, legislation that eliminates an important tool used to help purchasers of health care afford pharmacy care.

The Ohio Association of Health Plans (OAHP) is the state's leading trade association representing the health insurance industry. OAHP's member plans provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare, Medicaid and the Federal Insurance Marketplace. Our members offer a broad range of health insurance products to Ohioans in the commercial marketplace and are committed partners in public programs.

What are copay coupons? Coupons are tools drug manufacturers use to steer patients away from generic drugs toward more expensive brand drugs, ignoring potentially equally effective, less expensive alternative medications.

Coupons are deemed illegal kickbacks under Medicaid and Medicare because they induce a patient to use a specific drug, raising costs by forcing coverage of high-priced drugs when more affordable alternatives are available¹.

What are copay accumulators? Accumulators are programs designed to deter drug manufacturers' efforts to force employers, unions and public programs to pay for expensive brand medications through the use of copay coupons.

Federal copay accumulator rule. On May 7, 2020 HHS and CMS issued a final federal rule expressly allowing the use of copay accumulators². This important decision means that the federal government continues to see the value and need for such tools.

Payers, including employers, use accumulators. In fact, in 2017, 17% of employers used accumulators and 58% were considering doing so³. Payers are taking these steps because they see the use of copay coupons adding costs to system.

¹ <https://oig.hhs.gov/oei/reports/oei-05-12-00540.pdf>

² <https://s3.amazonaws.com/public-inspection.federalregister.gov/2020-10045.pdf>

³ <https://www.statnews.com/pharmalot/2018/11/26/accumulators-cost-shift-employers/>

OAHP agrees with the underlying intent of HB 469 – to ensure Ohioans have access to affordable prescription drugs. Drug costs are too high and today too many Ohioans cannot afford their medications. HB 469, however, as currently drafted will exacerbate the problem allowing drug manufacturers to skirt responsibility for high prices and use drug coupons in a way that the federal government has deemed illegal under Medicare and Medicaid.

Thank you for the opportunity to comment on HB 469 on behalf of the more than 9 million Ohioans member plans provide health care coverage. We stand ready to work with policymakers to develop meaningful solutions that address the high cost of drugs.

Sincerely,

A handwritten signature in black ink, appearing to read "Gretchen Blazer Thompson". The signature is written in a cursive, flowing style.

Gretchen Blazer Thompson
Director of Government Affairs