



**Chronic Care
Policy Alliance**

State Advocates
Working Together
to Bridge the Gaps
in Chronic Care

Testimony RE H.B. 135 – Prohibit Certain Health Insurance Cost-Sharing Practices

Written Testimony for Ohio Senate Health Committee Hearing on H.B. 135, November 30, 2022

Position: FAVORABLE

The Chronic Care Policy Alliance (CCPA) is a network of state and regional advocacy organizations advancing public policy that improves the lives of those living with chronic conditions and diseases.

CCPA is dedicated to ensuring people living with chronic diseases can have a better quality of life. We accomplish this by focusing on four key principles:

- [Prevention](#)
- [Affordability](#)
- [Access to Care](#)
- [Quality Health Care](#)

The CCPA urges you to support and pass H.B. 135 to ensure that patients with chronic and/or rare diseases can afford pharmaceutical drug treatments to manage one or more of their medical conditions. In the last few years health insurers and Pharmacy Benefit Managers (PBMs) have developed Accumulator Adjustment Programs that have placed further financial burdens on patients.

Some medicines (especially biologics – 95% of which have no generic or biosimilar product), are expensive and needed by patients over long periods of time and over the course of their lifetime. Many patients cannot afford the high costs of their drug treatment. In those cases, patients have depended upon the help of financial assistance from drug manufacturers, family, friends, Go Fund Me, private charities, religious organizations, and others to help pay for their medicines and have those payments apply toward their out-of-pocket costs and deductibles.

The Accumulator Adjustment programs will take the money from third-party sources but will not count those funds towards deductibles or out-of-pocket costs. Thus, a patient and her/his family will never be able to meet their cost sharing obligations and will always be beholden to

the health insurer – much like the old “company store” where workers were never able to get out of debt to the company store. Insurers and PBMs benefit handsomely. They pocket the money and still demand a second payment.

To make matters worse, the costs that they demand of patients and their families are not based upon the significant 30% - 40% discounts and rebates that drug companies give to Insurers and PBMs. Rather patient out-of-pocket costs are based upon the “list or retail” price – not discounted prices that insurers actually pay. As a result, patients are being gouged, insurers and PBMs are paying minimum if any claim costs and the profits are being shared with stockholders at the expense and health of patients and employers.

These programs were invented by PBMs as part of the “war” between health insurers and pharmaceutical companies concerning the high cost of drugs. Insurers believe that payments from third parties on behalf of patients keep drug prices high and their drug spend high. They further believe accumulator programs will reduce costs and their drug spend. There is no evidence that these programs will reduce overall health care costs. Regarding insurers’ drug spend, there **will** be an impact because patients won’t be able to afford their medicines and won’t get the drug therapies they need. *However, there is no doubt that patients who cannot obtain their drug therapeutic treatments as a result of accumulator programs will unfortunately be using and increasing their medical benefits, (Emergency Room and lengthy overnight hospital admissions etc.) to stay alive but still sick.* In this war, patients are pawns and collateral damage.

Health insurers and PBMs operate on the premise that if a person needs more health care services, they should pay more. In other words, sick people should be financially penalized for being sick. Government policy should be directed to helping those people who have limited means and chronic and/or rare diseases. Payors and PBMs should not be allowed to continue practices such as accumulator adjustment programs. Instead, government should end or prevent such predatory and discriminatory practices.

We urge your support of H.B.135. Feel free to reach out to me at the contact information below.

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