Copay Accumulator Programs: What They Are And How They Might Impact Your Out-Of-Pocket Costs

If you’ve been using a drug manufacturer’s copay discount card to help with your out-of-pocket costs for a biologic or other specialty medication, you may soon be in for a surprise. Several large insurance companies and pharmacy benefit managers (PBMs) are implementing new schemes called “copay accumulator programs” that affect how contributions from those same copay cards are applied to your annual out-of-pocket cost requirements.

Before we take a closer look at these programs, it may be helpful to first review some health insurance details and key terms.

As you know, health insurance helps cover your medical expenses, including your medications. When you fill a prescription, you are filing a claim to your insurance company. Your insurance company (or your PBM) will verify your claim and determine the cost of your prescription. You and your insurance company will then share this cost based on a specific payment schedule detailed in your plan’s benefits.

Most payment schedules include a deductible and coinsurance or copayment. A deductible is the amount you need to pay before your health insurance will cover services. This amount varies, depending on the type of plan you have. Someone with a high deductible health plan (HDHP) will have a higher deductible amount to pay than someone with a traditional plan.

If you have a plan with coinsurance (such as a PPO plan), once the deductible is met, the coinsurance period starts. In this period, you split the cost with your insurance company based on a fixed percentage listed on your plan. For example, a 70:30 coinsurance means you need to pay 30 percent of the cost (after your deductible is met) and your insurance company will pay the remaining 70 percent.

Some insurance plans (usually HMOs) have a copayment instead. This is when you pay a fixed amount for every visit to a primary care provider or a $10 copayment for every prescription filled.

The total maximum amount you will pay during any given plan year is called the out-of-pocket maximum. This amount includes your deductible, as well as coinsurance or copayments. After you reach your annual out-of-pocket maximum, your insurance company will pay 100% of medical costs accrued.

If your insurance company implements an accumulator program, the copay card’s contributions, though still accepted at the pharmacy, will no longer go toward fulfilling your deductible and other out-of-pocket costs.

What is a Copay Accumulator Program?

Copay Accumulator Programs, when enacted, change the way an insurance company applies and accounts for payments from a drug manufacturer’s copay card. Normally, the contributions from the copay card go toward fulfilling your out-of-pocket obligations, including your deductible. When you use an expensive specialty medication like a biologic, a manufacturer’s copay card can shield you from having to pay a significant amount of money in out-of-pocket costs every year.

However, if your insurance company implements an accumulator program, the copay card’s contributions, though still accepted at the pharmacy, will no longer go toward fulfilling your deductible and other out-of-pocket costs. Instead, all money paid through your copay card will go directly to the health insurance company, not making a dent in your deductible or going toward your out-of-pocket obligations.

When the “Copay Surprise” Happens.

People run into issues, and sometimes only realize the change, when the copay card’s dollar amount is exhausted. Only when this happens do they learn that their deductible and out-of-pocket maximum have remained untouched. They now need to start paying down any deductible they may have, and pay the co-insurance / copays, until they themselves fully pay the plan’s out-of-pocket maximum.
As you can see in this scenario, the Copay Accumulator Program changes the out-of-pocket payments from potentially $0 to now fully paying down the deductible, and then covering any coinsurance or co-pay amounts. When your copay card runs out, you’re left with the burden of the cost, and no progress on your annual deductible.

Why Do Insurance Companies Put This Program in Place?
Insurance companies have been trying to curb prescription spending for a long time, and they see Copay Accumulators as a potential solution.

The theory is that the program will encourage patients to use cheaper alternatives such as generics or other substitutes, however, patients may find that in some cases, cheaper alternatives are not available.

Insurance companies also use these programs to pressure pharmaceutical companies to lower drug prices. They see copay cards as a way for pharmaceutical companies to keep patients on expensive drugs, circumventing their efforts in reducing costs. Insurance companies are hoping to regain control in negotiating drug prices.

Which Insurance Companies and PBMs Implement These Programs?
According to the AIDS Foundation of Chicago, the following insurance companies and PBMs have started implementing these programs:

- Blue Cross Blue Shield
- Cigna
- CVS Caremark
- Express Script
- UnitedHealthcare

These insurance companies and PBMs may use different terms for these schemes. UnitedHealthcare calls it the “Coupon Adjustment/Benefit Plan Protection Program” and the one from Express Script is called the “Out of Pocket Protection Program.” Regardless of the term used, it is the same program and works the same way.

Where Can You Go to Check If You Are Impacted?
The best thing to do is to call your insurance company or PBM that covers your specialty medication. Your insurance company may have sent a letter to notify you of this change. You can also check online on your insurance company’s website.

Another place to look is in your explanation of benefits (EOB) statement, which may specify how a manufacturer’s copay card contributions will be applied.

What Can You Do If You Are Impacted or Just Want to Be Prepared?
If you’ve been impacted, call your insurance company or PBM and ask them any questions you have about Copay Accumulator Programs. Tell your insurer if you are unable to fill a prescription because of this program. Your insurer may be able to help find other solutions for you, such as referring you to a patient assistance program.

If you have an employer-sponsored plan, call your employer to let them know of any negative impact experienced as a result of the switch.

If your copay card has been declined, call the manufacturer of the medication. Some manufacturers may offer other options for you, such as providing a rebate for out-of-pocket costs.

Finally, please share your experience with us at SAA! Email us at advocacy@spondylitis.org if you’ve been impacted. We’d love to hear from you.

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