10 States Allow Health Insurers to Ignore Co-Pay Assistance Rules

A report by The AIDS Institute found that 21 health insurance providers failed to count co-pay assistance toward enrollees' deductibles for meds.

August 30, 2024 By Trent Straube

A report by The AIDS Institute found that 21 health insurance providers in 10 states violate rules regarding co-pay accumulator adjustment policies (CAAPs). Specifically, the insurers are not counting co-pay assistance toward enrollees' deductibles, despite state laws and a federal ruling prohibiting the practice.

Failure to enforce laws regarding co-pay adjustments can increase the out-of-pocket costs participants must pay for their prescription meds. This can be especially detrimental to people living with HIV, cancer, viral hepatitis and other illnesses that require expensive drugs.

"We were surprised to find so many insurers still applying CAAPs, especially in states that have had laws in effect since 2019," said Stephanie Hengst, policy and research manager at The AIDS Institute, in a press release from the nonprofit.

You can download and read the 35-page report, Unchecked: Copay Accumulator Adjustment Policies in 2024. According to the AIDS Institute press release, results of the report "reveal that 21 insurers in 10 [of the 18 states and Puerto Rico with laws requiring insurers to count co-payments toward enrollees' out-of-pocket limit] continue to have co-pay accumulator adjustment policies in plan documents:

- In GA, IL, LA, NM, NC, OK, TN, TX, VA, and WA, at least 1 insurer has CAAPs
- In TX, six out of fifteen insurers (40%) include CAAPs in their plans
- In GA, three out of eight insurers (38%) include CAAPs in their plans
- In NM, NC, TN, and WA, two insurers include CAAPs in their plans

- In IL, LA, OK, and VA one insurer includes CAAPs in their plans."

Today The AIDS Institute released a new brief on Copay Accumulator Adjustment Policies (CAAPs) in states that have laws...

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The report's introduction spells out the landscape of CAAPs in health insurance and the impact they have on people with chronic illness:

> "People living with serious, complex chronic illness, such as HIV and viral hepatitis, often rely on high-cost medications to manage their conditions and maintain their health. For many of these medications, there is no generic or less expensive alternative. But affording these medications has become increasingly difficult, even for people who have health insurance. As a result, many patients living with serious chronic conditions have turned to patient copay assistance programs run by charitable organizations or pharmaceutical manufacturers for help paying copayments and coinsurance for specialty drugs.
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> "Since 2017, The AIDS Institute has monitored the rise of 'copay accumulator adjustment policies' (CAAPs), used by health insurance companies and the pharmacy benefit managers (PBMs) they employ to administer their prescription drug benefits. Health insurance plans that include a CAAP pocket copayments made by enrollees using third-party copay assistance without crediting the payments to the enrollee's annual deductible or out-of-pocket limit. These policies undermine important patient protections enacted in the Affordable Care Act (ACA) and make it more difficult for people trying to manage a chronic illness to afford medicine they need.
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> "The federal government has struggled to decide how and whether to address this practice. In 2019 and 2020, the Department of Health and Human Services (HHS) issued contradictory regulations that first generally prohibited CAAPs, and then allowed insurers to adopt them. But in late 2023, a U.S. District Court for the District of Columbia ruled that health insurers and their PBMs must count all copayments made by or on behalf of an insurance enrollee for prescription drugs toward that enrollee's annual deductible and out-of-pocket, unless that

drug has an available generic equivalent, for all non-grandfathered health insurance plans in all 50 states.

"State governments have been more clear: Since 2020, 19 states, the District of Columbia, and Puerto Rico have enacted laws generally prohibiting CAAPs. These state laws apply to health insurance plans subject to state regulation, which are generally individual and small group plans, but not large employer plans. These laws protect an estimated 26 million people—19% of all people enrolled in commercial health insurance plans in the U.S."

To learn about last year's U.S. District Court ruling about CAAPs and the White House's initial effort to appeal the ruling, see the January 2024 article "UPDATE: Biden White House Drops Appeal in Co-Pay Assistance Case." And for related articles, see "When Co-Pay Assistance Backfires on Patients" and "Biden Is Right. The U.S. Generally Pays Double That of Other Countries for Rx Drugs."

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http://beta.docker.poz.com/article/10-states-allow-health-insurers-ignore-copay-assistance-rules-hiv-hepatitis-cancer-meds-drugs