Arizona Is the Third State to Pass a Law Protecting Co-pay Assistance

Insurance companies can no longer implement harmful co-pay accumulator policies.

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Following Virginia and West Virginia, Arizona has become the third state to ensure that health insurance plans must accept third-party financial help—including rebates and coupons from drug manufacturers—and count it toward a person's total out-of-pocket cost-sharing. Arizona Governor Doug Ducey signed the law earlier this month.

In other words, the law prohibits insurance companies from enacting co-pay accumulator policies that don't count third-party financial assistance toward a person's out-of-pocket expenses.

"This law will help people living with HIV and hepatitis in Arizona access the medications they need to stay healthy," said Carl Schmid, deputy executive director of The AIDS Institute, in a press release from the group. "People living with chronic and complex conditions, such as HIV and hepatitis, often rely on drugs with high patient cost-sharing, including high plan deductibles. Financial assistance is crucial to their health and continued adherence to their drugs."

Under some plans, a person's out-of-pocket expense—the amount he or she is expected to shoulder—can be as high as $7,900 for an individual and $15,800 for a family, according to the press release.

Several other states are considering similar legislation to control drug pricing, reports Managed Care Magazine.

"Co-pay accumulators and maximizers have represented an existential threat to the use of coupons as a tool for manufacturers to facilitate access to particular branded drugs," writes John H. Linehan in the magazine. "However, if more states follow the lead of Arizona, Virginia and West Virginia in prohibiting accumulator programs, the place for coupons will be increasingly secure, at least for the time being. If federal reform efforts targeting rebates under Medicare and Medicaid begin to impact the commercial sector, then the role of coupons may even increase. At the same time, if current reform efforts at the state and federal levels proceed, greater asymmetry may arise in the regulation of manufacturer price concessions, as rebates and coupons could be heavily restricted under the federal health care programs but remain legal in the commercial arena."

In related news, a federal proposal earlier this year seeks to limit co-pay assistance. The patient advocacy group I Am Essential opposes this plan. For more, click here.

Plus, the federal Centers for Medicare and Medicaid Services recently banned co-pay accumulators from applying to brand-name drugs when a generic version is unavailable. For more about that, click here.

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