April 8, 2024

The Honorable Mia Bonta
Chairperson
Assembly Health Committee
California State Assembly
1021 O Street
Sacramento, CA 95814

Re: Support for AB 2180 – Make All Copays Count

Dear Chairwoman Bonta,

LUNGevity Foundation respectfully asks you to support **AB 2180**, authored by Assemblymember Dr. Akilah Weber. **AB 2180** will end copay accumulator policies in California to ensure that third-party patient copay assistance – provided on behalf of eligible patients with chronic or terminal conditions to help them afford their prescribed medications – counts towards patients' annual out-of-pocket cost-sharing obligations with their commercial health plans.

LUNGevity is the nation's preeminent lung cancer nonprofit that funds research, provides education and support, and builds communities for the more than 230,000 Americans diagnosed with lung cancer each year[1] and over 600,000 Americans living with the disease.[2] Lung cancer is currently the leading cause of cancer death in the United States.[3] However, thanks to earlier diagnosis and significant advances in treatment, lung cancer patients are living longer, healthier lives.

In recent years, health insurers have begun inserting copay accumulator adjustment policies into their annual plan summaries. These policies do not count third-party copay assistance toward patients' deductibles and out-of-pocket maximums, which thereby nullifies any financial help patients receive from patient assistance programs to pay for their vital medications. Instead, patients are shocked to learn that while the insurers and pharmacy benefit managers (PBMs) accept third-party copay assistance funds made on patients' behalf, once those funds are expended, patients are still required to pay their annual cost-sharing obligation in full since the third-party payments aren't counted.

This predatory practice enables insurance companies and PBMs to reap profit from vulnerable patients in need, while negatively impacting patients' adherence to their treatment and exacerbating health inequities. Allowing health plans and PBMs to "double-dip" by collecting

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[1] Howlader N, Noone AM, Krapcho M, et al. (eds). SEER Cancer Statistics Review, 1975-2018, National Cancer Institute. Bethesda, MD, https://seer.cancer.gov/csr/1975_2018/, based on November 2020 SEER data submission, posted to the SEER web site, April 2021.
[2] Centers for Disease Control and Prevention. United States Cancer Statistics. Available at https://gis.cdc.gov/Cancer/USCS/#/Prevalence/.
[3] American Cancer Society. Key Statistics for Lung Cancer. Available at https://www.cancer.org/cancer/types/lung-cancer/about/key-statistics.html.

patient assistance program funds made on patients' behalf and then directly charging the patients themselves is plainly wrong. **All copays must be counted towards the patients' cost-sharing obligation, regardless of the payment source.**

Copay accumulator policies place an extreme financial burden on patients who are forced to pay out-of-pocket to reach their full deductibles or forego potentially life-saving treatments because they cannot afford them. Studies have shown that patients are far more likely to abandon their treatment when out-of-pocket costs exceed $100. Nonadherence can lead to irreversible negative health outcomes to patients which in turn can increase the overall cost of care.

This is also a health equity issue. Copay accumulator policies have a disproportionate impact on the most vulnerable patients, namely those who are underinsured and individuals with chronic or terminal conditions who often rely on multiple treatments to manage their illness, and who have a higher out-of-pocket health care spend year-after-year than do healthier patients.

By requiring health insurance plans and PBMs to apply any copay assistance paid by third-party patient assistance programs to the patients' cost sharing obligations, **AB 2180** will ensure that patients with chronic or terminal conditions continue to have access to their essential medications and stay on the treatment regimen prescribed by their doctor. There have already been similar bipartisan copay accumulator reform bills passed in twenty states, along with the District of Columbia and Puerto Rico. California must act next to protect patients with chronic and terminal conditions from these unjust and harmful practices.

Thank you for your consideration of our comments.

Sincerely,

Brandon Leonard
Senior Director, Government Affairs
LUNGevity Foundation