

Patient Assistance Programs & Discount Coupons



Many cancer patients have difficulty affording the cost of their prescription drugs, regardless of whether they are insured. This is especially true for newer drugs that do not have a generic equivalent. Many programs exist to help patients afford their medication. This fact sheet focuses on two of these – patient assistance programs and discount coupons.

Manufacturer Support

Some prescription drug manufacturers operate programs that directly support the uninsured or privately-insured patient for use of the manufacturer's products. These include:

- Coupon programs: the manufacturer distributes coupons in paper or electronic form that the patient brings to the pharmacy and uses to get a discount on their cost-sharing. These coupons can be distributed through providers, or directly to patients via mass media or websites.
- Discount cards: These cards function similarly to coupons, but work for multiple fills of one drug, or for multiple drugs.
- Electronic "switch": An electronic process that activates discounts in pharmacy computer systems but does not require a physical coupon or card.

Because of Federal Anti-Kickback statutes, manufacturers are prohibited from paying for any part of drug costs for patients relying on a Federal Health Care Program (FHCP) including Medicare and veterans' programs.

Charitable Patient Association Programs

Tax-exempt charities are legally permitted to provide patient assistance programs, such as serving patients with certain diseases or supporting low-income or uninsured patients. These co-pay foundations accept charitable funding with general public support and corporate giving, including pharmaceutical companies. These programs are permitted to support FHCP patients, on the condition they operate within the parameters defined by the U.S. Health and Human Services Office of Inspector General.

Requirements for eligibility in the programs vary: some programs only assist uninsured patients, others will assist patients who have insurance but whose plan does not cover the drug the patient needs, and others will assist patients who have coverage for a particular drug, but cannot afford the required co-pay, co-insurance or deductible. Once enrolled in a program, patients are instructed on how to pay for their medication – often with a discount card or a card that functions like a credit card.

Impact of Programs

Manufacturer programs and charitable patient assistance programs help many cancer patients afford their medications. In many cases a cancer patient needs a drug that does not yet have a modestly-priced generic or other alternative to drug treatment. A patient assistance program's financial support can give patients access to a life-saving drug that they otherwise could not afford. Some policymakers argue that these programs potentially increase prescription drug costs by allowing the manufacturers to keep the "list price" of their drugs high, but without these programs many cancer patients are left with few options to pay for their therapies. Additionally, some argue that these programs cause patients and doctors to choose more expensive drugs, where generic or cheaper alternatives exist. This reduces

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a plan's ability to steer patients towards more cost-effective drugs and may increase premiums.¹ However, many of the programs exist for drugs without generic alternatives.

Further, even lower cost drug treatments, especially over a period of months, can be out-of-reach for many low-income people. Studies of patients with certain treatment types report a significant drop in adherence when co-pays increase to a range of \$30 to \$90.² Of economically vulnerable patients with any condition surveyed with various levels of coverage, nearly 60 percent projected they were extremely concerned they would be unable to cover out-of-pocket medication costs over the next 12 months.³

State legislatures in California and New Hampshire have considered bills that prohibit drug manufacturers from establishing co-pay assistance programs in the state, or otherwise pay, waive or reimburse a patient for his or her insurance co-pay. California is currently considering legislation that would limit drug manufacturers' ability to provide co-pay assistance. Additionally, some pharmacy benefit managers, insurers and/or employers are implementing "accumulator adjustment programs," which prevent the costs that are covered by a patient assistance program or copay coupon from applying towards the patient's deductible or out-of-pocket maximum. With no policy to require transparency in how often these programs are implemented or regarding which drugs, it is unclear how often these policies are implemented or enforced with regard to cancer drugs.

ACS CAN Position

A decision regarding oncology treatment should be a medical decision between a doctor and patient. Patient assistance programs help enrollees to have access to the most appropriate prescription drugs. Prohibiting the use of these programs could deny cancer patients access to medically necessary prescription drugs. At the same time, these programs should not be used to steer patients toward a higher-cost medication when a less expensive alternative is available, covered, and medically appropriate for an enrollee.

¹ Starner CI, Alexander GC, Bowen K, Qiu Y, Wickersham PJ, Gleason PP. Specialty drug coupons lower out-of-pocket costs and may improve adherence at the risk of increasing premiums. *Health Aff* Oct 2014 vol. 33 no. 10 1761-1769.

² Neugut, AI, Subar M, Wilde ET, Stratton S, Brouse CH, Hillyer GC, et al. Association between prescription copayment amount and compliance with adjuvant hormonal therapy in women with early-stage breast cancer. *Journal of Clinical Oncology*. Vol 29, no 18. June 20, 2011.

³ Narang, AK, Nicholas, LH. Out-of-Pocket Spending and Financial Burden Among Medicare Beneficiaries with Cancer. *JAMA Oncology*. November 23, 2016.