Increasing Patient Out-of-Pocket Costs and Accumulator Adjustment Programs (AAPs)

May 2025

Rising out-of-pocket costs and access barriers

- Patient out-of-pocket costs in the commercial market increased $5B in 2023, up 5.8% over 2022 and 11% over the last five years.[i]
- Commercial health plans increasingly shift the burden of prescription drug costs to patients, which disproportionately impacts certain patient populations. Two out of three commercially covered patients taking brand medicines filled a prescription in the deductible or with coinsurance, which exposes patients to the undiscounted list price of medicines. These prescriptions represent a disproportionate share (60%) of total patient spending on brand medicines.[ii]
- Higher out-of-pocket costs for medicines may result in nonadherence, leading to higher spending and worse health outcomes:
    - In 2023, 98 million new therapy prescriptions were abandoned, and for recently launched medicines, more than half of new prescriptions are not filled because of high costs and payer control.[iii]
    - Asian, Hispanic, and Black Americans are approximately 20% to 50% more likely than white Americans to be non-adherent to their blood pressure medications, and 35% to 60% more likely to be non-adherent to their cholesterol medications in part due to high-cost sharing.[iv]

AAPs as harmful cost-containment strategies

Accumulator Adjustment Programs (AAPs) prevent manufacturer copay assistance from counting toward a patient's annual cost sharing limitations.

Once manufacturer copay assistance is exhausted, patients may be fully exposed to cost-sharing, even if thousands of dollars have already been paid on their behalf. These "copay surprises" created by the implementation of AAPs expose patients to unexpected, high costs in the middle of the plan year. This can make it harder for patients to access, afford, and stay adherent to medicines.

- Patients experiencing "copay surprises" are 13 times more likely to discontinue treatment after experiencing a cost spike due to copay assistance exhaustion.[v]
- Poor adherence to medicines is associated with worse health outcomes.

AAPs disproportionately impact certain populations.

- Non-white patients are 31% more likely to be exposed to AAPs than white patients.[vi]

- Among patients with schizophrenia, lower-income individuals are 2.5x more likely to be in plans using AAPs.[vii]
- Black patients are 20% more likely to abandon insulin, 31% more likely to abandon antipsychotics, and 41% more likely to abandon HIV PrEP—all due to cost-sharing burdens intensified by AAPs.[viii]
- In 2023, 49% of commercially insured beneficiaries were enrolled in plans with copay accumulators.[ix]

Cost-sharing Assistance Does Not Undermine Benefit Design

- In 2023, manufacturers provided $23 billion in copay assistance, yet $5 billion was diverted by PBMs and plans through the use of AAPs and maximizers.[x]

Cost-sharing assistance is most often used by patients who need help paying out-of-pocket costs for brand medicines without lower-cost generic alternatives and reduces the likelihood of prescription abandonment by 82%.[xi]

Cost-sharing assistance does not bypass plan formulary decisions.

- Health plans and pharmacy benefit managers (PBMs) have many tools to control patients' access to medicines, including utilization management techniques like prior authorization and step therapy.
- The therapeutic areas where patients are most likely to use cost-sharing assistance, like multiple sclerosis,[xii] are among the classes most frequently subjected to plan utilization management practices.[xiii] As a result, many patients and providers must jump through hurdles before a plan approves a medicine with cost-sharing assistance.

State Action: State bans on AAPs and their measurable impact

To date, 23 states[xiv] have enacted bans on AAPs since 2019.[xv]

- There is no meaningful impact on average premiums between states with AAP bans and those without.[xvi]
    - In 2023, the AIDS Institute examined average plan year premium rate changes of health insurers in states that passed AAP bans between 2019-2022 and states that did not pass bans and again found, "no evidence that enacting a copay accumulator adjustment ban has a meaningful impact on average premiums."[xvii]
    - In 2022 and 2023, the Global Health Living Foundation (GHLF) analyzed whether state AAP ban laws increased premiums. They found the rate of health insurance premium increases did not change after the passage of state laws requiring that patient assistance count toward patients' or policy holders' deductibles or out-of-pocket maximum payments.[xviii]
- Patients in states with an AAP ban had 14% greater odds of being adherent to treatment after policy implementation.[xix]

- States with AAP bans reduced patients' medicine costs by 31% over the first year, while states without an AAP ban saw a 12% increase in costs over this same period.[xx]
- IQVIA's 2024 analysis reports slower growth of AAPs across four therapeutic areas (multiple sclerosis, autoimmune, oncology, and asthma) in states with bans (25%) compared to states without (49%) from 2020 to 2023. [xxi]

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[xii,] IQVIA analysis for PhRMA. Faced with high cost sharing for brand medicines, commercially insured patients with chronic conditions increasingly use manufacturer cost-sharing assistance. July 2020. .https://phrma.org/report/Commercially-Insured-Patients-with-Chronic-Conditions-Face-High-Cost-Sharing-for-Brand-Medicines.

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[xiv] AR, AZ, CT, CO, DE, GA, IL, KY, LA, ME, NC, NY, OK, TN, TX, VA, WA, WV, ND, IN.

[xv] State-regulated markets include fully-insured group health plans and health insurance issuers in health care exchanges. Note: GA and AZ allow state-regulated plans and issuers to use AAPs when a medically appropriate generic alternative to the couponed medicine is also available.

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