



Alternative Funding Programs (AFPs)

2025 NCOIL Summer Meeting

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The Science Has Never Been More Promising



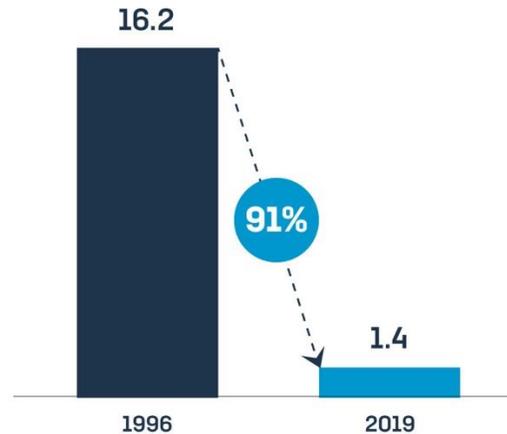
CENTERS FOR DISEASE
CONTROL AND PREVENTION

“ Hepatitis C
treatment can cure
more than 90% of
hepatitis C cases. ”

AJMC[®]

Estimated to reach \$43
billion in savings by 2026

Decline in age-adjusted
HIV/AIDS death rates per 100,000



HIV/AIDS is now a
chronic and
manageable disease.



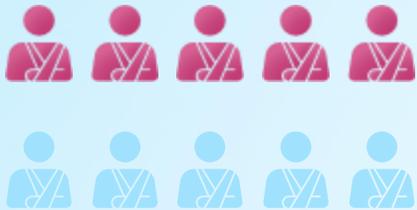
US cancer death rate falls
33% since 1991, partly due
to advances in treatment

STAT

HPV vaccine study finds
zero cases of cervical
cancer among women
vaccinated before age 14

Insurer Tactics Challenge Patient Access

Insurer tactics that limit patient access are widespread



Almost half of insured adults say their health insurance plan has required prior authorization in the past year



The 3 largest PBMs increased the number of medicines excluded from formulary between 2014 to 2022

As a result, patients may never initiate treatment or experience substantial delays

94%

Almost all physicians report delays in patient access with prior authorization

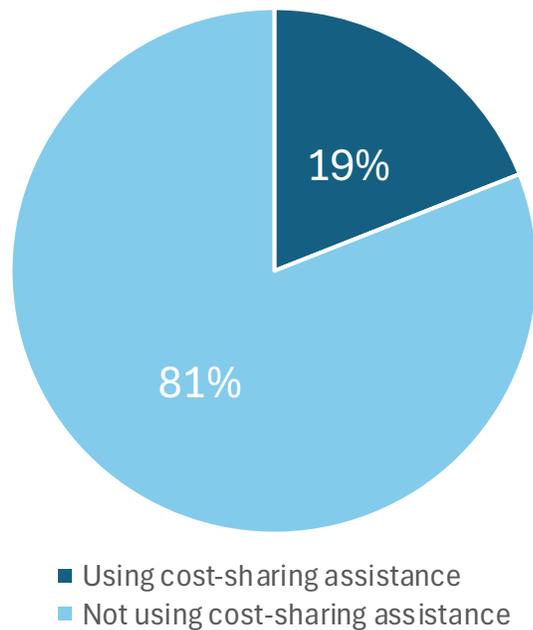


One in three cancer patients who faced a rejection at the pharmacy experienced a treatment delay of 2+ weeks

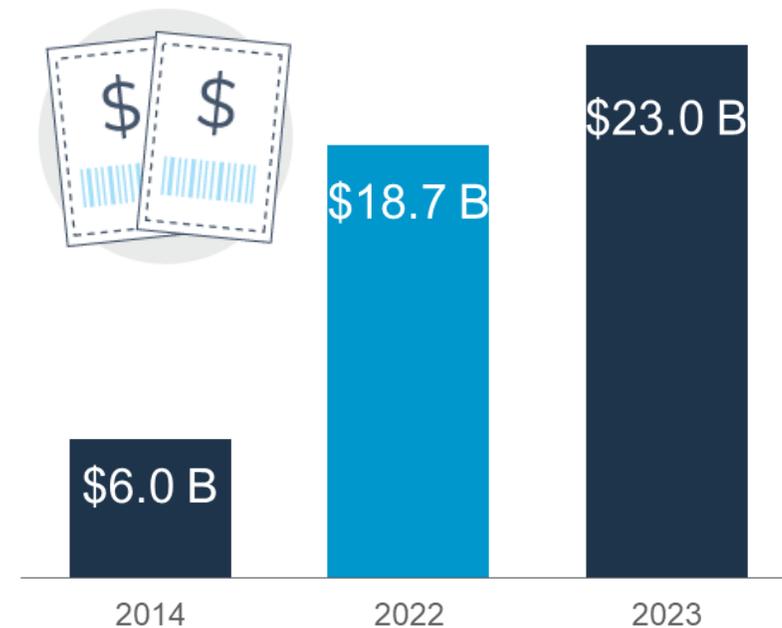
Manufacturer Cost-Sharing Assistance Is an Important Source of Financial Help for Commercially Insured Patients

Manufacturer cost-sharing assistance helps commercially insured patients who otherwise might struggle to afford their out-of-pocket costs.

Share of Commercially Insured Patients Using Manufacturer Cost-Sharing Assistance for Brand Medicines, 2023

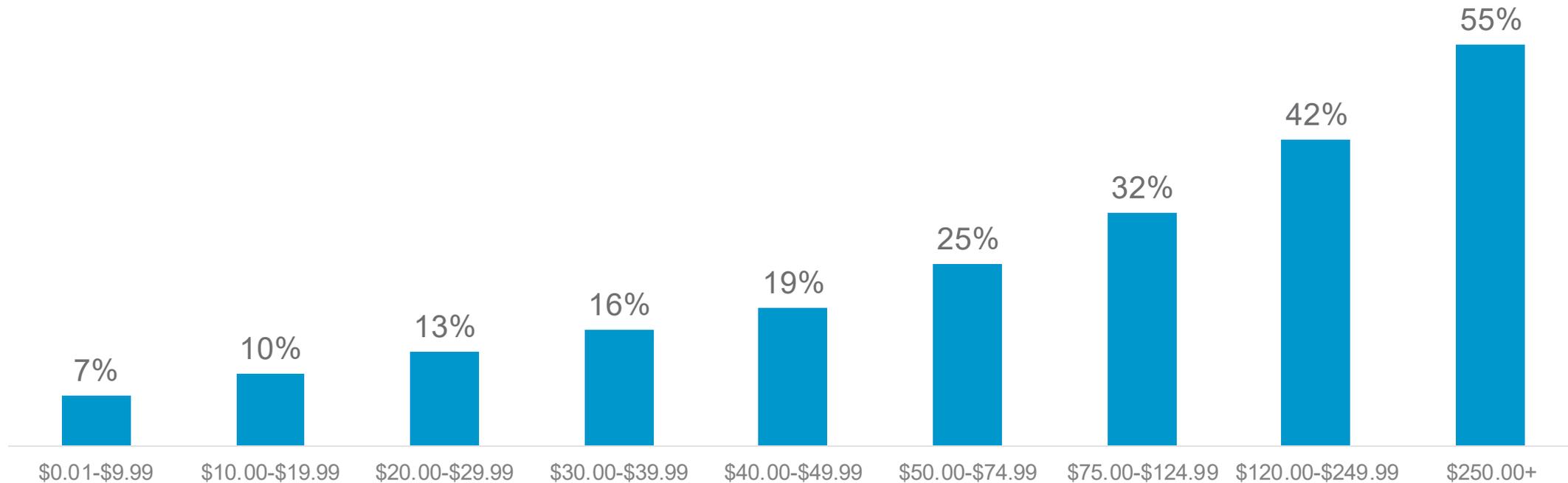


Total Manufacturer Cost-Sharing Assistance Has Grown in Recent Years



Without Assistance, Patients Are More Likely To Abandon New Prescriptions

Rate of Abandonment of Newly Prescribed Medicines by Final Out-of-Pocket Cost, 2023



Notes: New to product prescriptions are those where patients have not had a prescription for the specific brand or generic drug within the prior year. Pharmacies in the sample provide information on prescriptions which were prepared for dispensing and whether they were dispensed, with abandonment defined as the prescription in question not being dispensed to the patient within 14 days of the initial fill. Analyses on a sample of claims projected to national totals.

Source: IQVIA. The use of medicine in the US. 2024. Usage and spending trends and outlook to 2028. April 2024. <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-use-of-medicines-in-the-us-2024>

Middlemen divert patient assistance to avoid paying for patient care

Manufacturers provide patient assistance to help people access and afford their medicines. Payers and PBMs exploit this assistance, absorbing **\$5 billion** of the funds intended for patients through complicated schemes that help them avoid paying for medicines.

Excludes Patient Assistance From Out-Of-Pocket Maximum

Accumulator Adjustment Programs

Prohibit manufacturer cost sharing assistance from counting towards patients' cost sharing limits

Copay Maximizer Programs

Deem drugs as “non-essential health benefits” and set higher out-of-pocket limits for patients than typically allowed to shift costs to manufacturers

Alternative Funding Programs

Refer patients to a vendor that may enroll the patient in manufacturer assistance or foundations to help plans avoid paying for care

Drains Funds Available for Patient Assistance

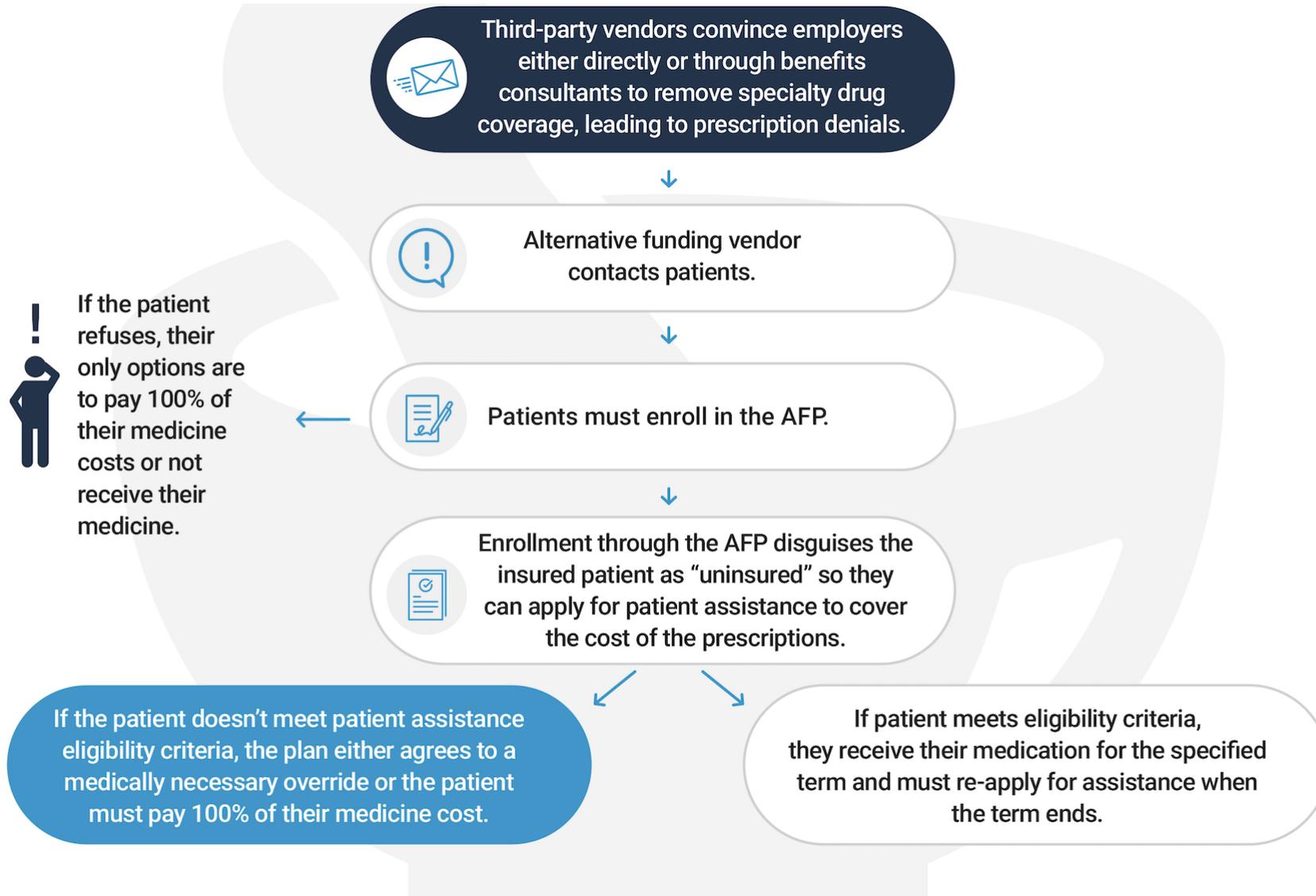
Source: Feih, A. J. (2024). Copay Accumulator and Maximizer Update: Adoption Expands as Legal Barriers Grow. <https://www.drugchannels.net/2024/02/copay-accumulator-and-maximizer-update.html>; IQVIA. (2024). 2023 Update: Six Years of Deductible Accumulators and Copay Maximizers. <https://www.iqvia.com/locations/united-states/blogs/2024/03/2023-update-six-years-of-deductible-accumulators-and-copay-maximizers>; Health Capital Group. (2024). The 340B Drug Purchasing Program and Per-Enrollee Medicaid Costs. <https://www.healthcapitalgroup.com/340b-and-total-medicare/>; GAO. (2015). Medicare Part B Drugs: Action Needed to Reduce Financial Incentives to Prescribe 340B Drugs at Participating Hospitals. <https://www.gao.gov/products/gao-15-442>

Alternative Funding Programs

AFPs drive patients to charitable or manufacturer patient assistance funds meant for uninsured and financially disadvantaged patients

- Target specialty medicines
- Encourage health plans to remove coverage for specialty drugs on premise that manufacturer PAPs will pay for them
- Patient must enroll in the vendor's program or pay 100% of the cost of their medicines
- Once enrolled, vendor assists patient in applying for PAP
- If patient not eligible for PAP, they can appeal to have their medicine covered under the health plan

How AFPs Target Patient Assistance Programs



The Hidden Impacts of Alternative Funding Programs

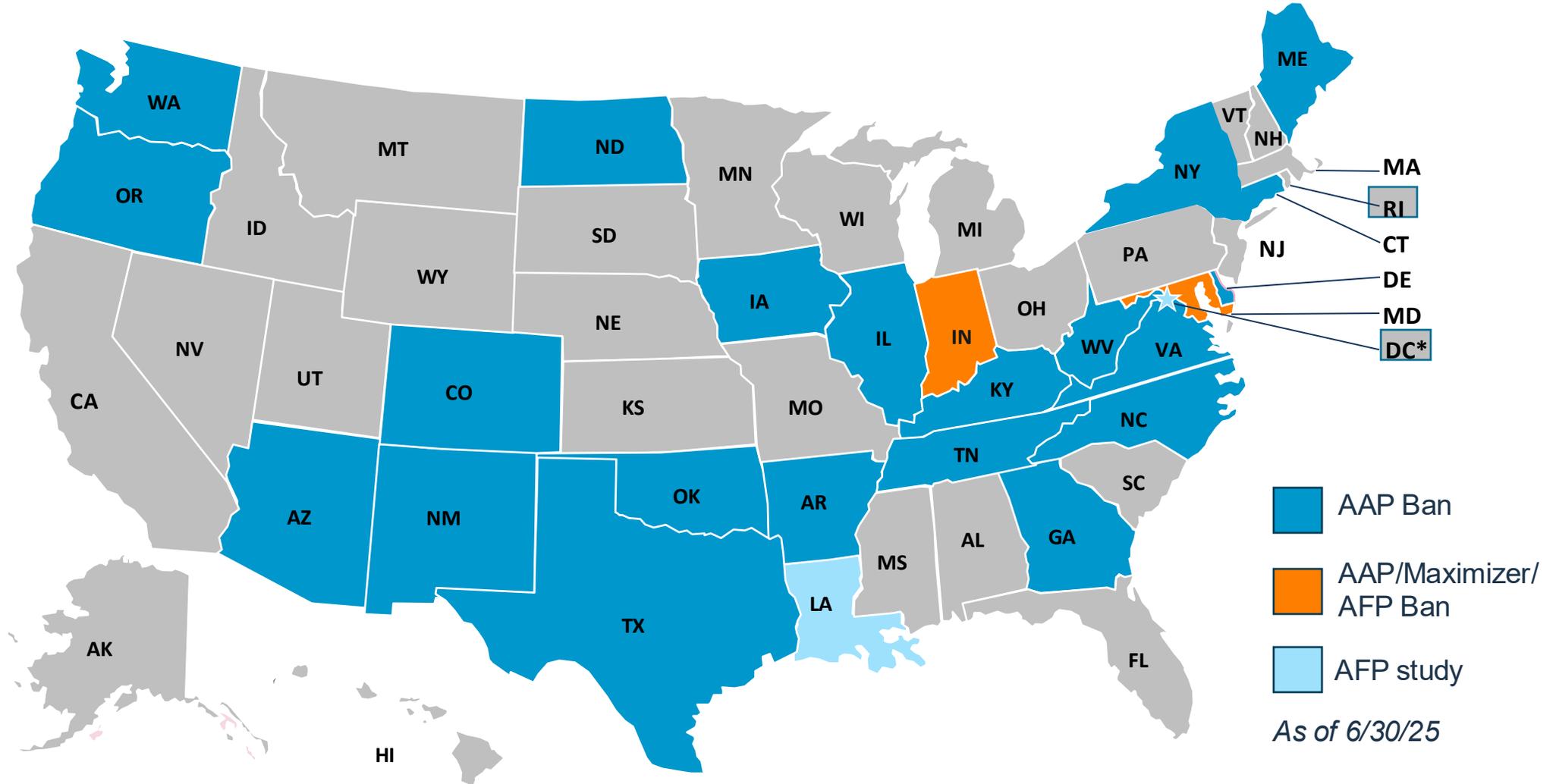
AFPs are costly, deceptive, potentially discriminatory, and dangerous for patients

AFPs...

- Use **deceptive practices** to exploit assistance
- **Deplete patient assistance** meant for uninsured patients
- **Profit** at the expense of patients
- May **over promise savings** to employers
- Are a type of **discriminatory practice**, disproportionately harming patients with chronic illness and rare conditions
- Can cause **delays and disruptions in treatment** for patients

State Laws to Protect Patient Assistance

25 States with AAP Bans, 2 States also Ban Maximizers and AFPs



PhRMA Created the Medicine Assistance Tool, or MAT, To Help Patients Navigate Medicine Affordability

MAT makes it easier for those struggling to afford their medicines to find and learn more about various programs that can make prescription medicines more affordable.

The Medicine Assistance Tool Includes:

A search engine to connect patients with

900+

assistance programs offered by
biopharmaceutical companies, including
some free or nearly free options



Resources to help patients
navigate their insurance coverage



Links to biopharmaceutical
company websites where
information about the cost of a
prescription medicine is available

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