

Accumulator Adjustment Programs

What are accumulator adjustment programs?

Accumulator Adjustment Programs (AAPs) are cost-management strategies used by some health insurers and pharmacy benefit managers (PBMs). These programs **change how payments made by third parties, like drug companies, count toward a patient's deductible and out-of-pocket maximum.**

How do they work?

Health insurance plans often have a **deductible**, which is the amount a patient must pay before insurance starts covering costs. Many drug manufacturers offer **copay assistance programs or coupons** to help patients afford expensive medications by covering part or all of their copay.

Traditionally

Both the patient's payments and third-party copay assistance counted toward the deductible and out-of-pocket maximum, helping patients meet these limits faster.



With AAPs

The insurer **does not count** third-party payments toward the deductible or out-of-pocket maximum. As a result, once the copay assistance runs out, the patient must still pay their full deductible and maximum costs before insurance provides full coverage.



Key Takeaway: AAPs prevent copay assistance from reducing a patient's total financial responsibility, leading to higher out-of-pocket costs over time.

Why are these programs used?

Insurers and employers argue that AAPs help control rising drug costs by:

- **Ensuring patients contribute to health care costs** rather than relying entirely on manufacturer discounts.
- **Encouraging the use of lower-cost alternatives**, such as generics, when available.

Not all medications have generic equivalents. In those cases, **AAPs may leave patients without a lower-cost option, forcing them to pay significantly more for necessary treatments.**



Impact on patients

AAPs can create financial hardships for patients, especially those with chronic conditions requiring costly medications. Key concerns include:



Increased out-of-pocket expenses

Patients may face unexpected costs when they realize copay assistance didn't count toward their deductible.



Delayed deductible fulfillment

Patients must pay more before insurance coverage kicks in, even if they received copay help.



Risk of treatment disruption

Some patients may be forced to skip or stop taking their medication due to cost.

Criticism and legal challenges

AAPs have been widely criticized by:



Patient advocacy groups and health care providers who argue these programs make lifesaving medications unaffordable for those who need them most.



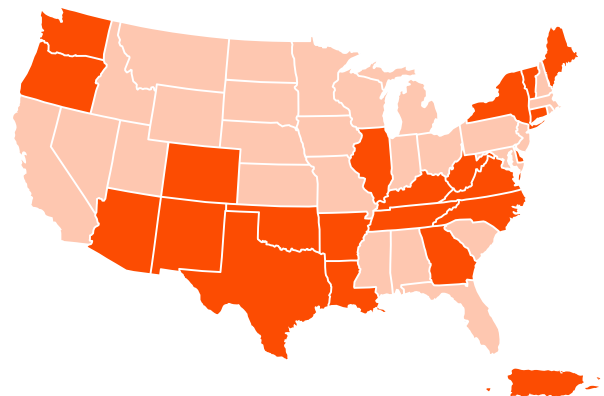
Policymakers who believe AAPs undermine the purpose of copay assistance and place undue financial stress on patients.

Some patients **abandon their prescriptions entirely** because of the unexpected costs imposed by these programs.

State action

According to the National Council of State Legislators (NCSL), as of 2024:

- ✓ **21 states, Washington D.C., and Puerto Rico** require insurers and PBMs to apply third-party payments toward a patient's cost-sharing requirements.
- ✓ **More states are considering similar legislation** in 2025.



Federal action

Federal policy on AAPs has been inconsistent:

- **2020 & 2021 Centers for Medicare and Medicaid Services (CMS) Rules:** CMS allowed insurers to use AAPs, deferring regulation to state laws.
- **2023 Federal Court Ruling:** A court struck down the 2021 rule, blocking insurers from applying AAPs to medications **without a generic alternative**.

Conclusion

Accumulator Adjustment Programs are a **controversial tool** used by insurers to manage prescription drug costs. While they may help control overall health care spending, they also place a **greater financial burden** on patients who rely on copay assistance. As laws and regulations continue to evolve, the debate over AAPs will likely persist—balancing cost-saving measures with ensuring patient access to affordable medications.