

What are Copay Maximizer Programs?

Some people take expensive medicines to stay healthy. Drug companies often help by giving copay assistance, which is money that helps patients pay for their medicine.

Insurance companies and pharmacy benefit managers (PBMs) use Copay Maximizer Programs (CMPs) to ensure that they get the maximum benefits provided by the drug company. These programs spread out the copay assistance over time, decreasing the cost of a patient's medicine/prescription each month.

Unlike some other programs, such as Accumulator Adjustment Programs, or AAPs, CMPs don't require patients to pay heavy or hefty costs later in the year. Instead, the patient continues to pay little or nothing for their medicine.

How do they work?

Copay maximizer programs work by spreading out drug manufacturer copay assistance over the entire year, preventing it from counting toward a patient's deductible or out-of-pocket maximum. Here's how they function:



Full use of copay assistance: Instead of applying manufacturer assistance to a patient's deductible, insurers treat it as a separate benefit, ensuring they get the maximum amount offered by the drug company



Reduce monthly costs for patients: Patients may pay less each month because the assistance is divided across the year, making medications seem more affordable in the short term.



Delays progress on deductibles and maximums: Since the copay assistance doesn't count toward what patients must pay before insurance kicks in, they may end up paying more later when the assistance runs out.



Encourages use of certain medications: Insurers and pharmacy benefit managers (PBMs) often direct patients toward specific drugs that work with these programs, influencing medication choices.

Example

Sarah takes a medicine that costs \$1,000 per month. The drug company gives \$12,000 per year to help.

- Without an CMP – The drug company's money might be used up in a few months, and Sarah would have to pay full price later in the year.
- With an CMP – The insurance company spreads out the money over the whole year, so Sarah keeps paying little or nothing for her medicine.

Why do insurance companies like copay maximizer programs?

Insurance companies favor CMPs because they can or are able to maximize savings while shifting more costs to drug manufacturers. Here are other reasons why they prefer these programs:

- ✓ **Reduce insurance payout** – CMPs ensure that copay assistance from drug manufacturers covers a larger portion of patients' out-of-pocket costs, reducing what the insurer has to pay.
- ✓ **Lower overall cost** – By spreading out manufacturer assistance over time, insurers can minimize their own spending while still appearing to offer coverage.
- ✓ **Encourage alternative medication** – CMPs can push patients toward lower-cost alternatives, such as generics or different medications covered under the insurer's preferred drug list.
- ✓ **Avoid out-of pocket maximum** – Since manufacturer copay assistance doesn't count toward a patient's deductible or out-of-pocket maximum under CMPs, patients may end up paying more over time, leading to higher cost-sharing.
- ✓ **Increase negotiating leverage** – By implementing CMPs, insurers and PBMs can pressure drug manufacturers into offering larger rebates and discounts.

How do CMPs affect patients?

CMPs can be both a benefit and a detriment to patients on high-cost prescriptions.

Possible benefits:

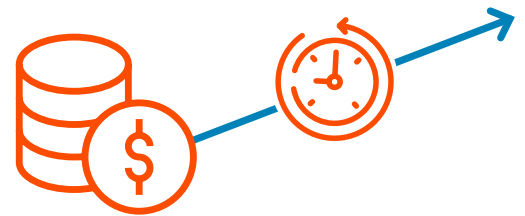
- **Lower monthly costs:** CMPs spread out the help from drug companies, so patients pay less each month.
- **Easier to afford at first:** Since the help lasts all year, patients don't have to pay a big amount all at once.

Major drawbacks:

- **Requires patient to enroll in drug manufacturer assistance program:** Assistance Programs have eligibility requirements and not everyone will qualify. Not all medications are included in the CMP.
- **Delayed progress toward deductibles:** Patients may end up paying more before their insurance fully kicks in, as the manufacturer's contributions don't reduce their required spending.
- **Limited choice in medications:** CMPs may push patients toward alternative drugs that their insurance prefers, even if those alternatives are less effective for their condition.
- **Unexpected financial burden:** Patients who rely on copay assistance might be caught off guard when they suddenly face high out-of-pocket costs later in the year.

Why are CMPs controversial?

Copay maximizer programs are controversial because, while they lower patients' monthly costs, they can lead to higher long-term expenses and limit access to necessary medications. In addition to other major drawbacks of CMPs mentioned earlier, CMPs seem to also benefit insurers and PBMs more than patients by:



- **Maximizing drug company contributions:** These programs ensure insurers and PBMs get the full amount of copay assistance, reducing their costs while shifting more financial responsibility to patients.
- **Not reducing the price of drugs:** While insurers claim these programs help control costs, they do nothing to reduce the actual price of medications, leaving patients stuck with high expenses in the long run.

What are lawmakers saying?



Increase financial burden on patient

Many lawmakers believe that by preventing manufacturer assistance from counting toward deductibles and out-of-pocket maximums, copay maximizers leave patients with higher costs in the long run.



Lack transparency

Some legislators argue that insurers and PBMs are not upfront about how these programs work, leading to unexpected financial hardships for patients.



Interfere with drug access

Lawmakers worry that these programs push patients toward insurer-preferred drugs instead of what their doctors originally prescribed.

Final thoughts

While insurers and PBMs defend copay maximizers as a way to control costs, lawmakers on both sides of the aisle are increasingly questioning their fairness and impact on patients.