For Immediate Release: March 25, 2019

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VIRGINIA ENACTS LEGISLATION PROTECTING PATIENTS FROM HIGH OUT-OF-POCKET DRUG COSTS

The AIDS Institute urges other states to preserve the value of patient assistance programs

Washington, DC - Today, The AIDS Institute applauds the Virginia legislature and Governor Ralph Northam for enacting first-in-the-nation legislation that helps protect patients from high out-of-pocket costs for medications by prohibiting a new and harmful insurance company tactic. Under the law, Virginia will require insurance companies to count copay assistance from manufacturers and other patient assistance programs toward a patient’s cost-sharing responsibilities. Insurance companies across the country, including CareFirst and Piedmont Community Health in the Commonwealth, have begun to institute an often-hidden policy that prohibits outside financial assistance, such as copay coupons, the patient receives from counting towards a patient’s deductible or total out-of-pocket costs.

“People with serious and chronic health conditions, such as HIV and hepatitis, who take costly prescription medications rely on financial assistance to afford their high copays and meet their deductible”, said Carl Schmid, Deputy Executive Director of The AIDS Institute. “We are thankful to the leadership demonstrated in the Commonwealth for standing up for patients and against the insurance companies and the pharmacy benefit managers (PBMs). We hope other states follow Virginia’s lead and protect patients from high out-of-pocket drug costs.”

The bill signed into law by Gov. Northam today was championed by Sen. Siobhan S. Dunnavant, Sen. Amanda F. Chase, and Sen. William R. DeSteph, Jr., and approved by the House on February 13, 2019, by a vote of 90 to 5, with one abstention, and
approved by the Senate on February 15, 2019, by a vote of 39 to 0. It will impact individual and small group plans and will become effective on January 1, 2020.

Increased patient cost sharing is one reason why people complain about the high price of prescription medications. Deductibles can be as high as $7,900 for an individual and $15,800 for a family. While in the deductible phase, insurers require beneficiaries to pay the full list price of the drug. Financial assistance is critical to help afford the cost of the drugs. Without it, patients may abandon taking their drug. A recent study concluded that 69 percent of patients who were faced with paying more than $250 for their prescription did not pick it up.

In addition to HIV and hepatitis, others who rely on copay cards and other forms of financial assistance include people with cancer, MS, hemophilia, arthritis and those with rare diseases. Legislation that would require patient assistance to count towards out-of-pocket maximums is pending in nine other states including Arizona, Kentucky, and Illinois. Legislation was passed earlier this month in West Virginia, which is awaiting Gov. Jim Justice’s signature.