

## SB 560 -3 STAFF MEASURE SUMMARY

### Senate Committee On Health Care

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**Meeting Dates:** 2/22, 3/31

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#### **WHAT THE MEASURE DOES:**

Requires insurers to count payments made by an enrollee or on behalf of an enrollee, including payments from a patient assistance program, when calculating out-of-pocket maximum or any other cost-sharing.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### **ISSUES DISCUSSED:**

- Importance of co-pay assistance, particularly for people with chronic conditions treated by high cost drugs
- Co-pay accumulator policies of health insurers
- Legislation in other states
- Treatment of co-pay assistance by Medicare and Medicaid
- Oregon's Prescription Drug Price Transparency Program (House Bill 4005 (2019))
- Role of co-pay coupons in obfuscating drug prices

#### **EFFECT OF AMENDMENT:**

-3 Replaces "patient assistance program" with "person" and defines "person" for purposes of cost-sharing assistance.

#### **BACKGROUND:**

Many pharmaceutical manufacturers sponsor patient assistance programs (PAPs) that provide financial assistance to qualifying individuals to augment existing prescription drug coverage. One form of assistance is a copay card or coupon, whereby the pharmaceutical manufacturer pays part or all of the enrollee's copay or coinsurance for a specified drug. These copay cards are typically used for expensive, brand name drugs with no generic equivalent. In Medicare, PAP financial assistance does not count towards the beneficiaries true out-of-pocket (TrOOP) cost and many copay card programs exclude Medicare beneficiaries from eligibility.

Senate Bill 560 requires insurers to count payments made on behalf of an enrollee, including payments from patient assistance programs, when calculating out-of-pocket maximum and other cost-sharing accumulators.