

SB 560 A STAFF MEASURE SUMMARY

Carrier: Sen. Knopp

Senate Committee On Health Care

Action Date: 03/31/21

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 4-1-0-0

Yeas: 4 - Beyer, Knopp, Manning Jr, Patterson

Nays: 1 - Heard

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Brian Nieubuurt, LPRO Analyst

Meeting Dates: 2/22, 3/31

WHAT THE MEASURE DOES:

Requires insurers to count payments made by an enrollee or on behalf of an enrollee by another person when calculating out-of-pocket maximum or any other cost-sharing.

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 (2018))
- Role of co-pay coupons in obfuscating drug prices

EFFECT OF AMENDMENT:

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, PAPs 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 A requires insurers to count payments made by another person on behalf of an enrollee when calculating out-of-pocket maximum and other cost-sharing accumulators.