

# Prescription drug manufacturer Patient Assistance Programs

**Presenters:**

Jesse Ellis O'Brien, policy manager  
DCBS-DFR

Sarah Young, executive director  
Prescription Drug Affordability Board



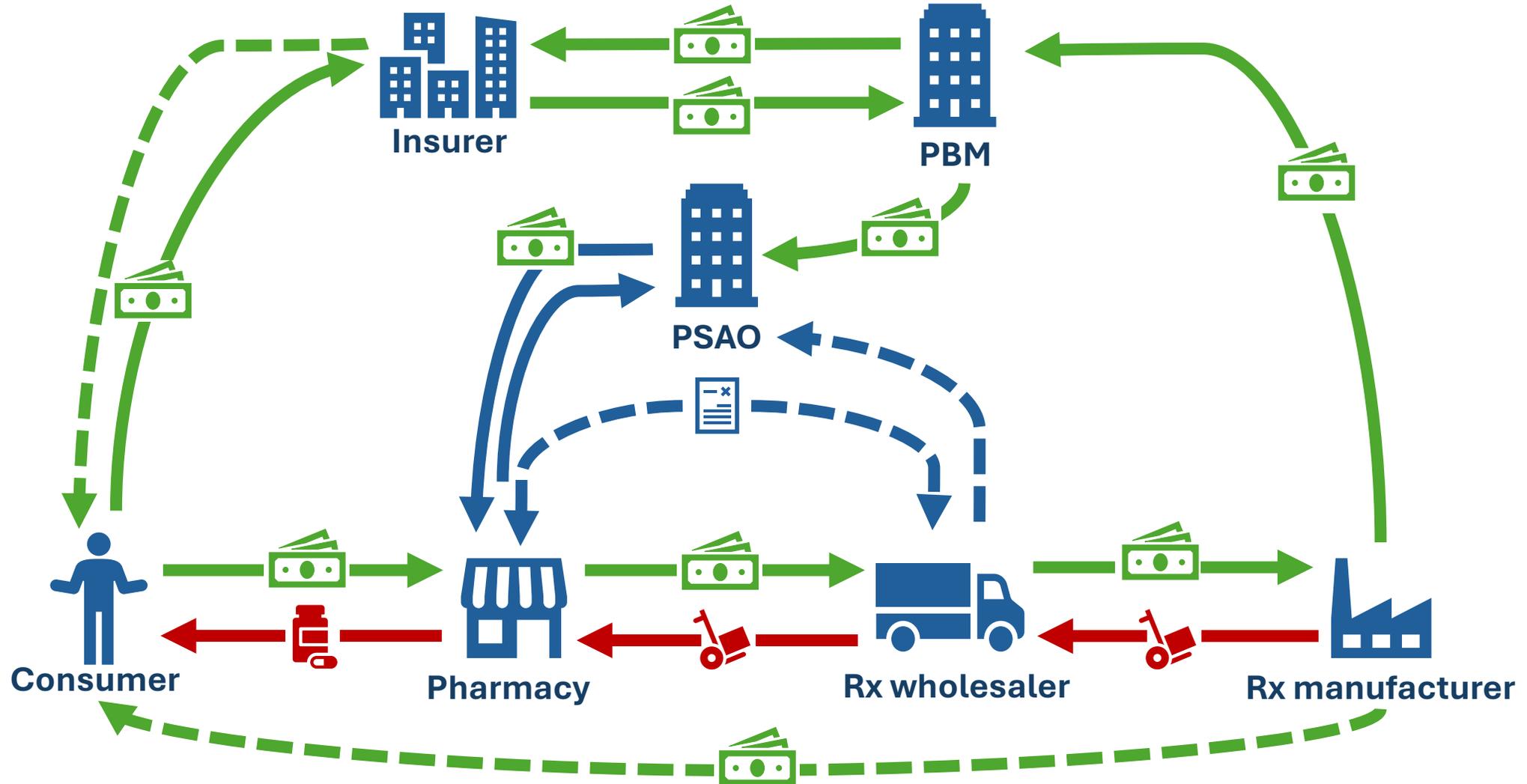
Department of Consumer  
and Business Services

# Agenda



- **Prescription drug Patient Assistance Programs (PAPs)**
  - What are PAPs?
  - National data and policy context
- **Current policy**
  - Oregon PAP reporting requirements only apply to drugs with annual price increases of 10 percent or more
- **Proposed change**
  - Annual reporting on all manufacturer-funded patient assistance to Oregon patients

# Pharmacy reimbursement is complicated

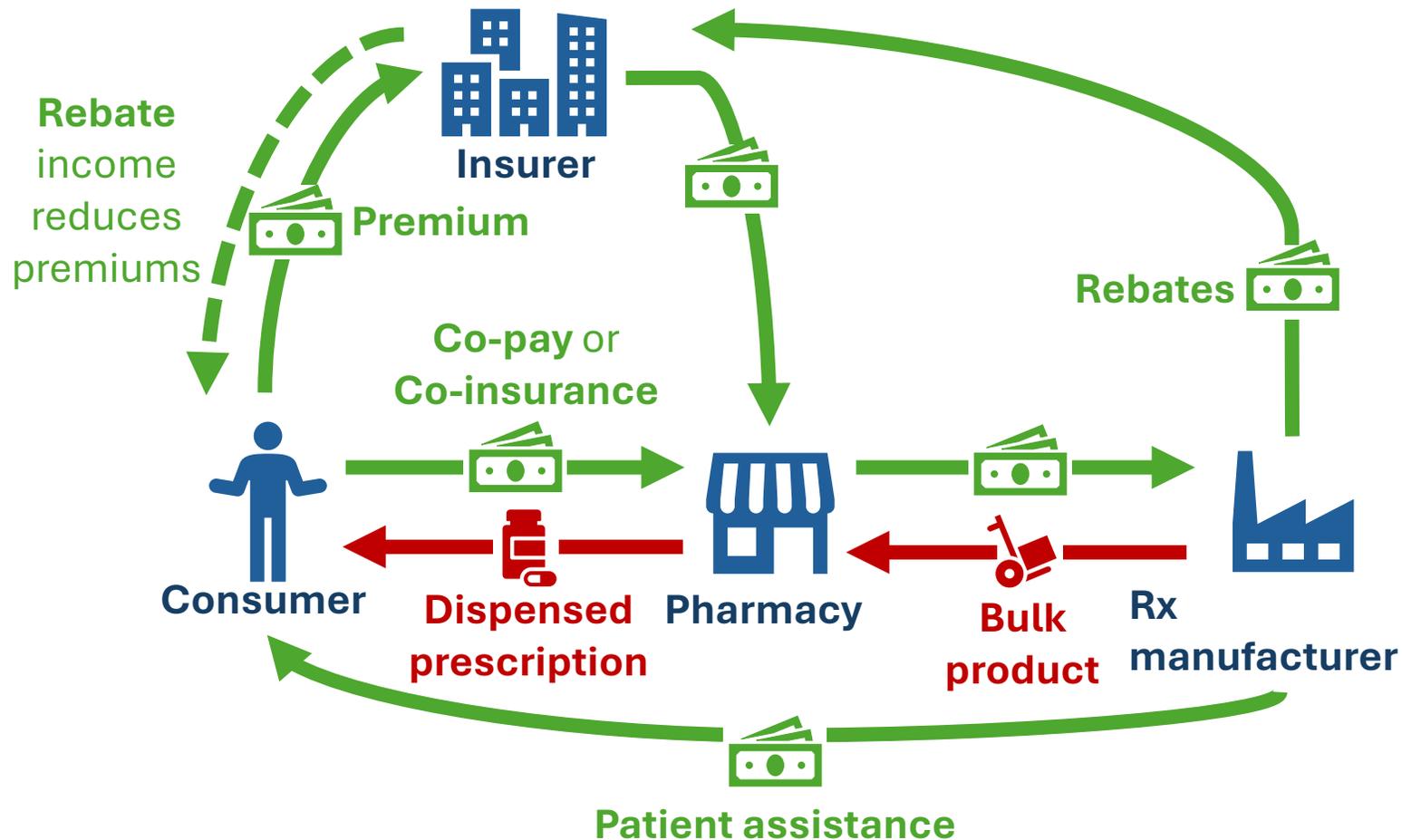


# What do we mean by “Patient Assistance Program”?



- **Direct manufacturer assistance:** “Coupons,” free product, rebates, pre-paid debit cards, and other value transfers from manufacturers to patients.
- **Manufacturer Patient Assistance Programs:** Manufacturer donates money and/or product to a corporately affiliated 501(c)(3) nonprofit that provides direct assistance to patients.
- **Independent Patient Assistance Programs:** A non-affiliated charitable non-profit that may receive funding from manufacturers but is not subject to their control.

# Patient assistance: Direct support or “coupons”



For the purposes of this discussion, we’ll be largely ignoring **PBMs, wholesalers, and PSAOs**. The first category of PAP we will consider is **direct manufacturer assistance** in the form of “coupons”, direct payments to patients, and pre-paid debit cards provided to a patient from a manufacturer.

# Patient assistance: Direct support or coupons

## General stats on direct manufacturer assistance

**95%** of brand-name drugs offer manufacturer assistance

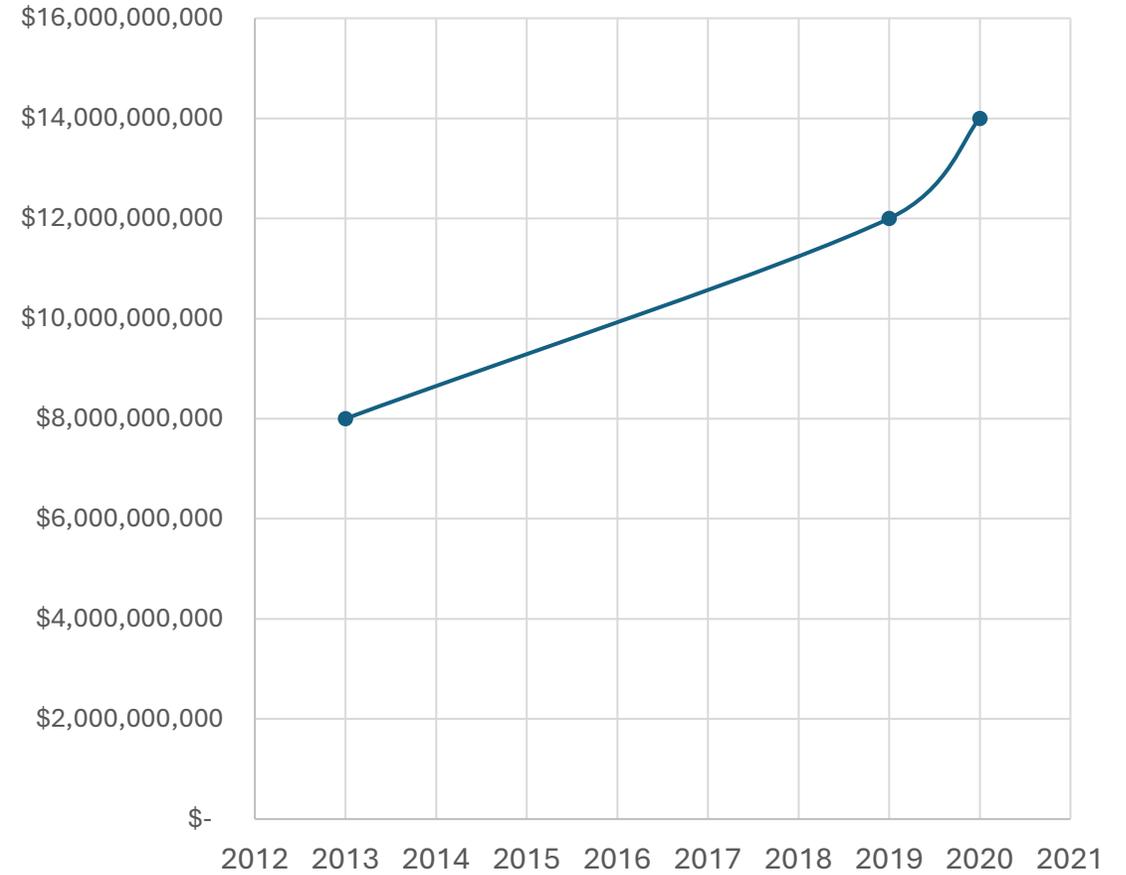
**75%** of brand-name patient cost sharing in commercial insurance plans is covered by manufacturer assistance

**47%** of commercially insured patients who use mental health drugs use coupons

**80%** of commercially insured patients who use immunology drugs use coupons

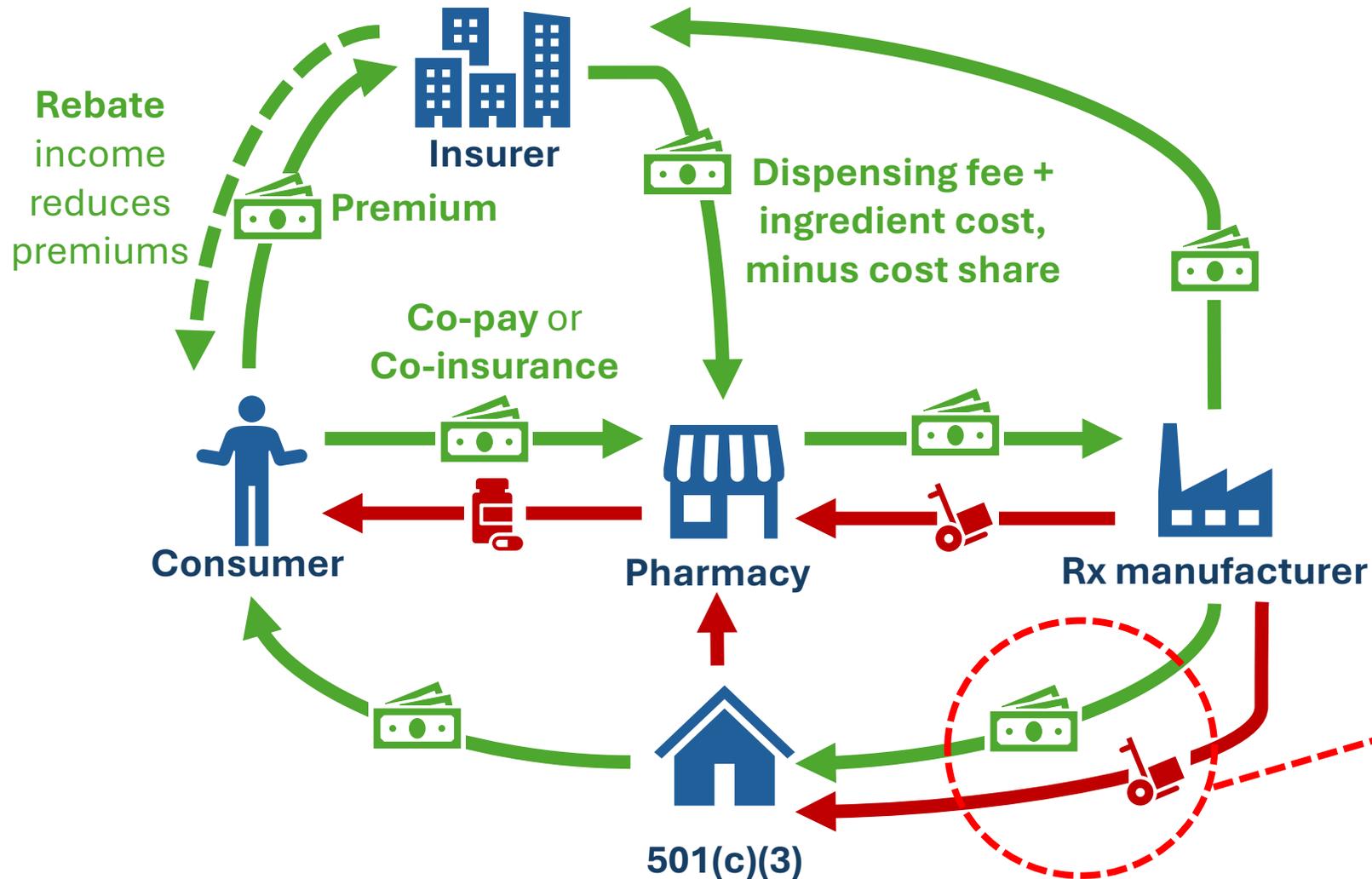
**70%** of patients who use recently developed drugs for MS use coupons

## Annual Spend on Direct Patient Support





# Manufacturer PAPs



The advantage of a PAP over direct assistance is in the tax code: a manufacturer can deduct the value of funds and product donated to a PAP. When funds are used for monetary patient assistance, the manufacturer may benefit from both tax deductions and increased sales.



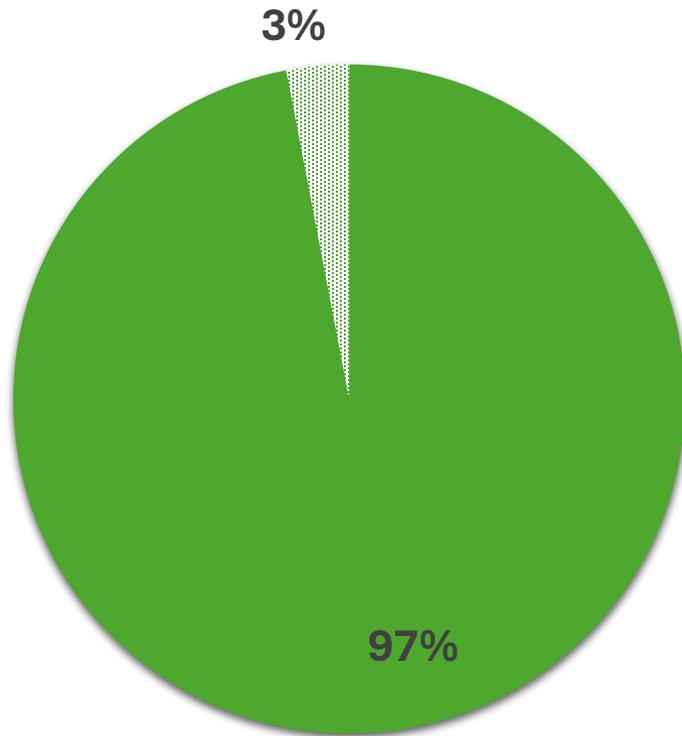
Manufacturers deduct both in-kind and cash donations from their taxable income

# Manufacturer PAPs

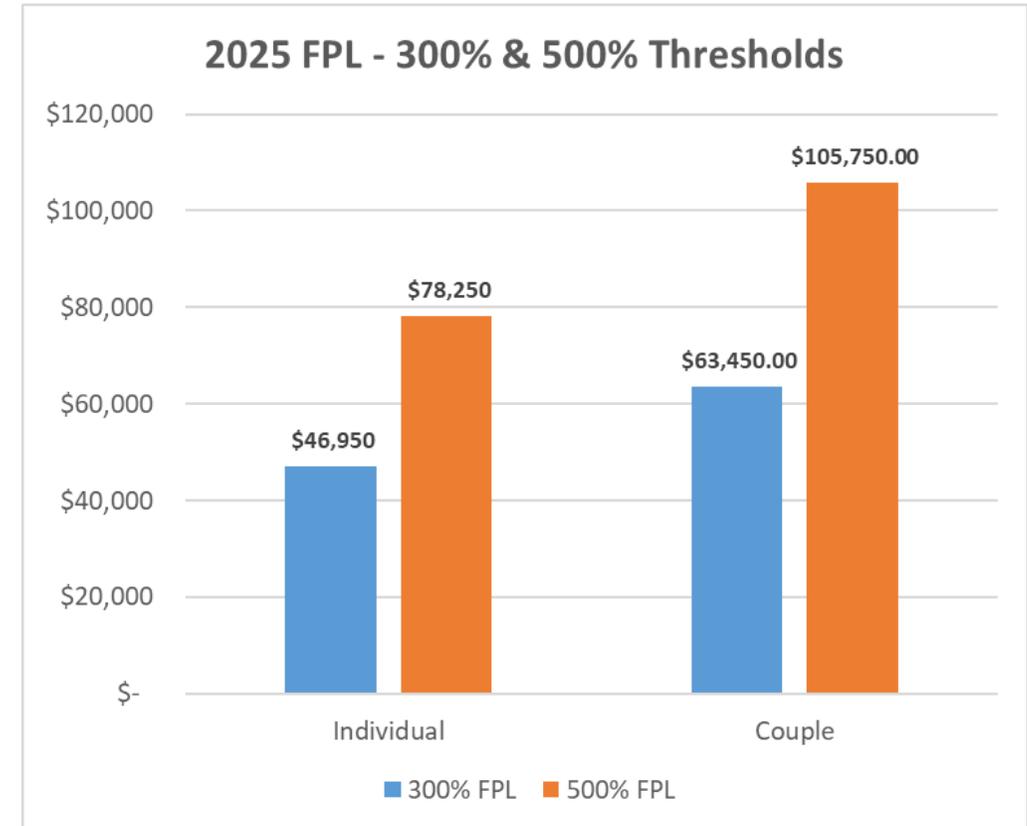
## Manufacturer PAP annual spending



# Patient Assistance Program eligibility



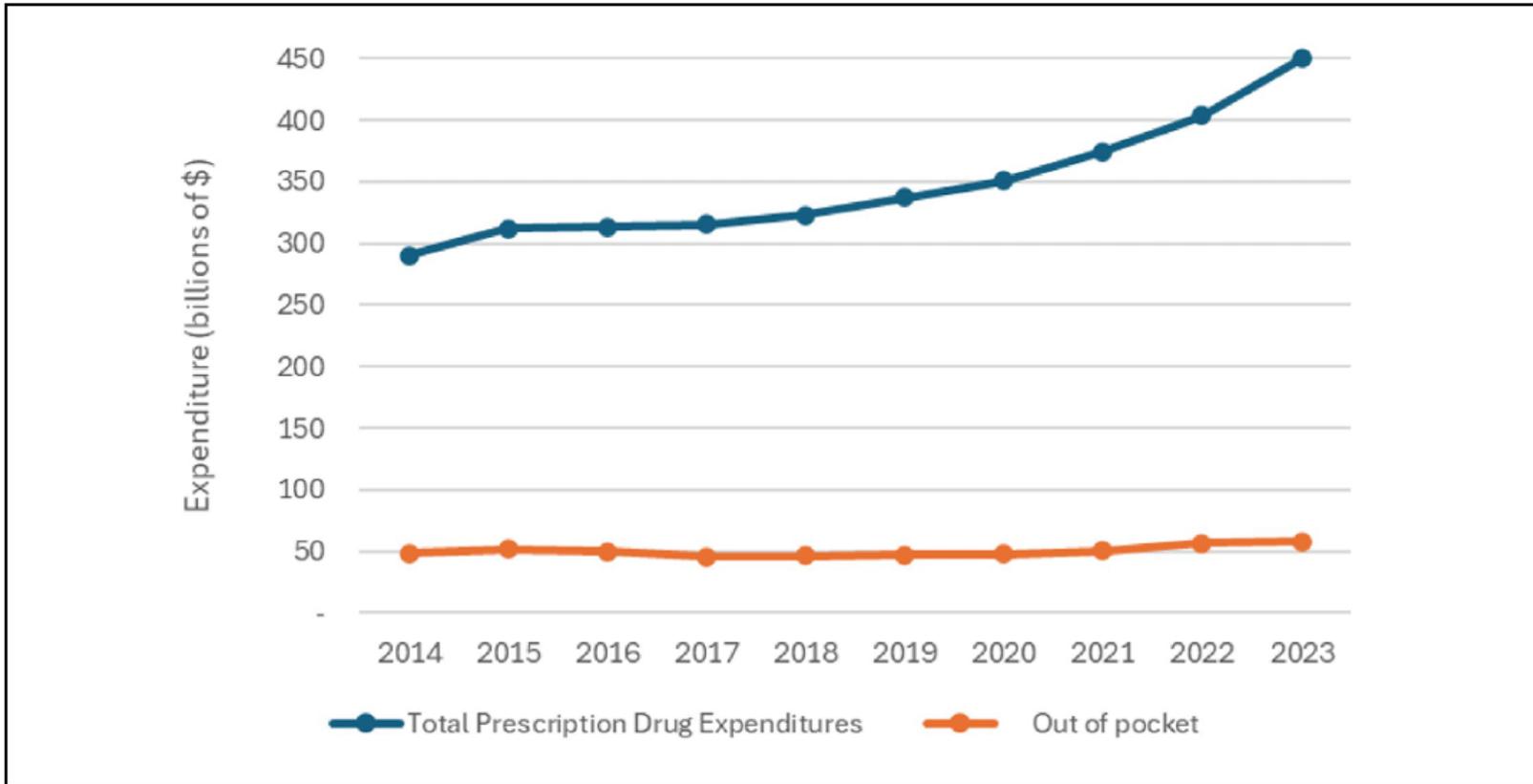
A 2019 survey of the six largest nonprofits offering PAPs found that of 274 PAPs, **97%** excluded uninsured patients.



PAP eligibility is generally subject to a maximum income threshold of 300%-500% of the federal poverty level.

# Total Rx spend vs. consumer out-of-pocket

## Estimated total spending on prescription drugs vs. consumer out-of-pocket costs in the U.S. from 2014 to 2023



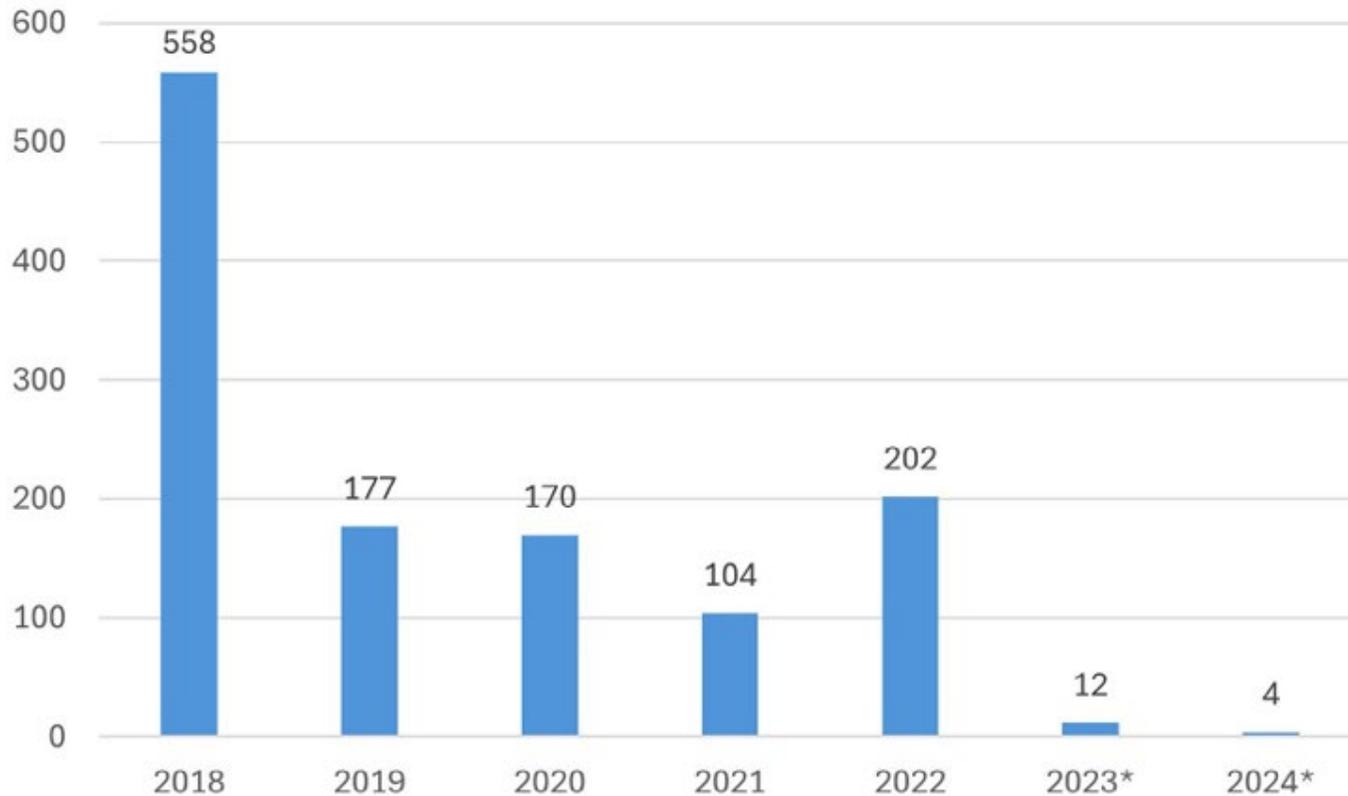
One criticism of PAPs is that they dampen the effect of insurance utilization management such as tiered drug lists in incentivizing the use of less costly alternative therapies, both generic equivalents and non-equivalent alternative compounds.

While total spending on prescriptions is a significant driver of health care costs, consumer spend has remained surprisingly stable in the same period.

Source: Oregon Prescription Drug Price Transparency Program 2026 Annual Report to the Legislature; "Historical." Centers for Medicare and Medicaid, National health expenditure data, Dec. 18, 2024. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/historical>. Accessed Sept. 24, 2025.

# Patient Assistance Program reporting

## Oregon Drug Price Transparency Program, annual price increase reports received 2018-2024



Under current law, Oregon collects data on manufacturer patient assistance (both direct and manufacturer funded) as part of annual reporting for drugs with a price increase of 10% or higher.

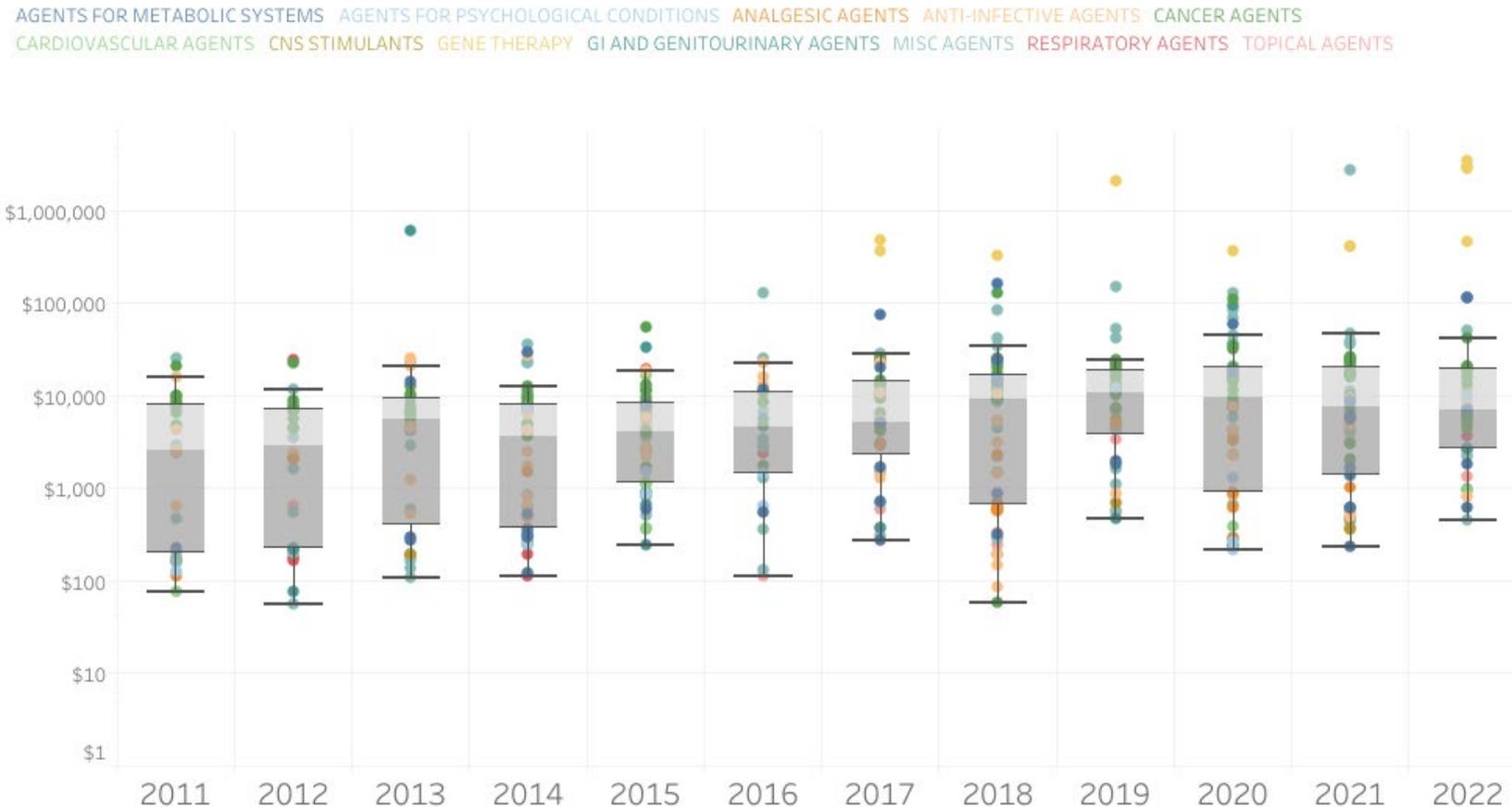
However, in recent years, the drugs with the most significant policy concerns around PAP availability (high-cost medications with lower cost alternative therapies) have kept price increases below Oregon's reporting threshold.

Source: Oregon Prescription Drug Price Transparency Program 2026 Annual Report to the Legislature.

\*2023 and 2024 only include voluntarily reported data due to ongoing litigation.

# Patient Assistance Program reporting

## Box plot – new drug launch prices by therapeutic class



Brand name drug launch prices have been trending upward over time. This reflects both increasing numbers of cell & gene therapy products with \$1m+ launch prices as well as a shift in pricing strategy away from price increases over the life of a product.

# DPT recommendation



Prescription Drug Price Transparency Program  
results and recommendations – 2025

**(As required by ORS 646A.689)**



Nov. 25, 2025

- The Oregon Drug Price Transparency Program recommends decoupling the PAP reporting requirement from annual price increase reports.
- Instead, drug manufacturers should be required to report annually on any and all patient assistance they directly fund or operate that serves Oregon patients.
- We are not recommending any changes to the data collected on PAPs, which already addresses level of spending, patient eligibility, etc.
- This is a narrow change aiming to make existing reporting more informative.



# Questions?

Jesse Ellis O'Brien, policy manager

[Jesse.E.Obrien@dcbs.oregon.gov](mailto:Jesse.E.Obrien@dcbs.oregon.gov)

Sarah Young, PDAB executive director

[Sarah.D.Young@dcbs.oregon.gov](mailto:Sarah.D.Young@dcbs.oregon.gov)



Department of Consumer  
and Business Services