

The Downsides of Copay Accumulators for Your Business and Employees

What Is a Copay Accumulator?

Some employers and their healthcare administrators use copay accumulators to help them reduce the amount they are spending on certain high-cost prescription drugs. They do this by passing more drug spending onto employees and their enrolled family members who may need high-cost prescription drugs.

Copay accumulator programs only apply to select drugs that a member buys through special online or mail-order based companies. However, with an unmet deductible, employees must pay full amounts for other expenses, such as doctor visits and lab work.

What Is a Copay Assistance Program?

Overview: Manufacturers provide copay assistance programs to help people who may not be able to afford a drug due to the prescription drug cost-sharing required by their healthcare insurance.

Under these programs, manufacturers pay an individual's copays or cost-sharing, so they can afford their medicines.

Employer Interest: As some employers look to reduce their healthcare costs, they have increasingly focused on copay assistance programs.

Who Is Impacted?

Your Employees: Your employees may need to spend much more on their healthcare needs over the course of the year if copay assistance credit is removed. Employees who cannot afford healthcare may decide to skip important medical treatments or appointments. This can reduce employee productivity and increase dissatisfaction.

Your Business: Potential negative impacts on your business include a combination of poorer employee health, confusion over benefits taxing Human Resources, lower morale, and higher rates of absenteeism that will likely outweigh any financial benefits gained by imposing a copay accumulator on your employees.

How Do They Work?

Copay accumulators are designed to make sure that the consumer, potentially your employee, does not get any credit for the amount of the cost-sharing that is paid by a copay assistance program. This means that it can take an employee or their beneficiaries much longer to reach the out-of-pocket limits required by your health insurance plan.

Spending Without A Copay Accumulator		Spending With A Copay Accumulator
\$5	Drug	\$500
\$20	Visit the Doctor	\$300
\$30	Lab Test	\$100
\$55	Total Monthly Spending	\$900

What You Pay Goes Up

How Do Copay Accumulators Impact Your Employees?

With copay accumulators, employees may be confused about their benefits and unclear as to why their healthcare costs have changed. Consumers subject to a copay accumulator face high out-of-pocket costs that may limit their ability to afford necessary care. In addition, people impacted often face very high copays during the middle of the year once the copay assistance program funds run out. They may have to stop taking necessary medicines. Affected employees may turn to your human resources (HR) team with questions, creating additional work and potentially lowering morale from the copay accumulator policy.

Benefits of a Healthy Workforce

- Healthy employees are productive employees! Healthy employees are better able to contribute to a productive workforce and have a lower rate of absenteeism¹
 - The impact of higher out-of-pocket costs may mean your employees skimp on necessary medical services, prescription medication, preventive care, and other services that keep them healthy
 - Employees who do not take their medications as prescribed or who discontinue prescribed medications (because of costs or other factors) have lower levels of work output²
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Why You Should Treat MS Drugs Differently

Employers have significant power in designing copay accumulator programs. Employers can often work with their insurance or pharmacy benefit manager (PBM) partners to change which types of drugs are impacted by these programs. Importantly, you can choose to exempt MS drugs from the copay accumulator policy.

Here are some reasons why this is a good idea:

- It is important that people with MS have access to individualized treatment. MS impacts people in different ways, which means treatment is patient-specific and is frequently adjusted based on a patient's relapse triggers.³ Patients can't just switch to a different or lower-cost drug since it often won't be as effective and can lead to relapses that can keep them out of work.
- Once a certain course of therapy is started, evidence strongly suggests that treatment needs to be ongoing, without gaps or stoppages, for benefits to continue. The discontinuation of treatment, non-adherence, and gaps in treatment have been associated with an increased rate of relapses and disability.⁴ All of these can decrease employee effectiveness, increase the amount of time they are forced to take off, and increase the overall amount you spend on their healthcare needs.
- Treatment adherence is associated with better clinical and economic outcomes for MS patients, including improved long-term quality of life, reduced hospitalization, relapses, and medical costs.⁵

See our "What Happened to My Copay Assistance?" patient brochure for more information about how copay accumulators negatively impact your employees.

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