

Case Study

Combination copay assistance and accumulator management program for specialty drugs reduces plan costs 21%

BACKGROUND

Manufacturer-funded copay assistance programs exist across most brand drugs today and are designed to lower the cost burden for the member. Under these programs, a secondary benefit funded by the manufacturer covers some or all of the member's expense. While this is great for the member, the unintended consequences to the plan are numerous, including undermining or nullifying the formulary and plan intent, not to mention complicating deductible and out-of-pocket reconciliation. What results from this is the potential for increased brand drug utilization, inequity (some members pay the full deductible while others pay nothing and/or reach maximum out-of-pocket more quickly), and no cost benefit to the plan whatsoever.

As a result of the above, some plans have instituted accumulator adjustment programs for specialty drugs. These programs prohibit manufacturer copay assistance from counting toward deductible and maximum out-of-pocket amounts. While this approach solves the deductible reconciliation piece, it does not address "the money on the table" available from manufacturers to help further offset specialty drug costs.

Recognizing the need for a multifaceted approach, a forward-thinking manufacturing company sought a solution that provided visibility to actual out-of-pocket costs for members, while also structuring the benefit to leverage maximum assistance available from manufacturers.

ACTION TAKEN

Serve You Rx implemented CAAP Rx, a copay assistance and accumulator management program. Under this program, the amount the plan pays for specialty drug prescriptions is lowered by adjusting the member cost share amount to take full advantage of the assistance offered by drug manufacturers. The member pays the amount specified by the plan, and this amount is accounted for via accumulator management.

CAAP Rx dynamically sets member cost share by drug for each dispense, based on dose, frequency of administration, and available manufacturer financial assistance

OUTCOME

Six months after implementing CAAP Rx, the plan reduced its overall drug costs by 21 percent (plan savings of \$6.18 PMPM). Average savings per specialty prescription was nearly \$1,000.

CONCLUSION

Plans should not be penalized for member use of manufacturer-funded copay assistance; rather, these programs should be fully leveraged to the benefit of the plan. CAAP Rx accomplishes this by capturing available funds, reconciling deductibles and out-of-pocket amounts, and ensuring the member pays what is intended, all while promoting adherence and effectively managing trend.