

KNOW THE FACTS:

CO-PAY ADJUSTMENT PROGRAMS



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CO-PAY ADJUSTMENT PROGRAMS: UNDERSTANDING THEIR IMPACT



Drug manufacturers sometimes offer co-pay assistance programs that include co-pay cards and traditional coupons. The goal of these programs is to help cover the amount you are responsible for paying when you fill your prescription.



Traditionally, the amount that is provided by a manufacturer's co-pay assistance reduces the out-of-pocket costs for your prescriptions and is counted toward your insurance plan's annual deductible and out-of-pocket maximum.



However, some health insurance plans are now using co-pay adjustment programs, often known as accumulators and maximizers, to exclude manufacturer co-pay assistance from counting toward annual deductibles, out-of-pocket costs, and/or out-of-pocket maximums.

Co-pay adjustment programs can result in changes to your out-of-pocket expenses. That's why it's important to learn more about these programs and understand what you can do if you are currently enrolled in one.

TYPES OF CO-PAY ADJUSTMENT PROGRAMS: ACCUMULATORS AND MAXIMIZERS

Insurance companies may use a co-pay adjustment program on any medicine, but typically target the medicines for which drug manufacturers offer co-pay assistance. These programs are most commonly used in employer-based, high-deductible health plans (HDHPs). Patients are often unaware that they are enrolled in one of these programs.

These co-pay adjustment programs can have different names and are not always easy to identify. Let's review two different co-pay adjustment programs: accumulators and maximizers.

How accumulator programs work



With co-pay accumulator programs, the maximum value or limit of the manufacturer's co-pay assistance must be reached (accumulated) before your out-of-pocket costs start counting toward your deductible and/or out-of-pocket maximum.

This means that when the maximum value of your manufacturer co-pay assistance is reached, you have to pay the remaining cost of your refill(s) or full deductible at the pharmacy later in the year.

How maximizer programs work



With co-pay maximizer programs, your co-pay responsibility is adjusted to match the maximum assistance the manufacturer provides, spreading it evenly throughout the year. This maximizes the amount of funds the health plan takes from the manufacturer.

Some of these programs may set your co-pay responsibility to \$0 for a specific prescription medicine, but any third-party co-pay assistance you receive will not count toward your deductible and/or maximum out-of-pocket costs.

To implement a maximizer, health plans will often deem certain specialty drugs as "non-essential health benefits." This means they are not limited to the standard out-of-pocket maximums set by the government for most plans.

LET'S LOOK AT AN EXAMPLE

Here's how co-pay adjustment programs could change a patient like Tristan's out-of-pocket costs.



Based on Tristan's insurance plan, their monthly co-pay for their prescription medicine is \$200.



The manufacturer of Tristan's medicine has a co-pay assistance program that offers a \$0 monthly co-pay, and the most it will cover for the year is \$12,000 (Tristan's co-pay assistance maximum).



Their insurance plan's deductible is \$2,000 and the out-of-pocket maximum is \$4,000.



In this example, the prescription medicine costs \$2,000 per month.

With a traditional plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Patient cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Manufacturer co-pay assistance	\$2,000	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$0	\$4,000
Insurance provider cost	\$0	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$2,000	\$20,000

What this means: Tristan's out-of-pocket cost for this medicine for the year is **\$0**. The manufacturer co-pay assistance, in combination with the insurance provider, will cover the remaining costs due until the out-of-pocket maximum for the year has been reached. After Tristan hits their deductible (see ▼ arrow), the insurance provider pays toward the cost, and pays the whole cost once Tristan's out-of-pocket maximum is reached (see ▼ arrow).

With an accumulator plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Patient cost	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$200	\$200	\$200	\$200	\$200	\$3,000
Manufacturer co-pay assistance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
Insurance provider cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$9,000

What this means: Tristan's out-of-pocket cost for this medicine for the year is **\$3,000**. After the maximum value of their manufacturer co-pay assistance (\$12,000 annually) is reached, they have to pay \$2,000 (see ▼ arrow above). Remember, in an accumulator plan, the co-pay assistance maximum must be reached before out-of-pocket costs start counting toward a deductible and/or out-of-pocket maximum. Tristan then has a \$200 monthly co-pay.

With a maximizer plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Patient cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Manufacturer co-pay assistance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Insurance provider cost	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000

What this means: Tristan's out-of-pocket cost for this medicine for the year is **\$0**. The maximizer plan spreads the manufacturer co-pay assistance evenly throughout the year. However, the manufacturer co-pay assistance does not count toward hitting Tristan's deductible and/or out-of-pocket maximum, so they may have higher total out-of-pocket expenses for that year.

HOW TO FIND OUT IF YOUR INSURANCE PLAN HAS A CO-PAY ADJUSTMENT PROGRAM

Health insurance plans can be complicated to understand, and it's not always clear whether a co-pay adjustment program is part of your plan. They may have names like *Accumulator Adjustment Program*, *Variable Co-pay Program*, *Coupon Adjustment: Benefit Plan Protection Program*, or *Out-of-Pocket Protection Program*. These names may change, and new programs can be introduced by a plan at any time.

Steps you can take to better understand your insurance coverage:

REVIEW your plan details



Start by looking at your explanation of benefits, which should outline how your deductible and out-of-pocket maximum are met. This is something that your plan can provide to you.



You can also search the insurance plan's schedule of benefits or Pharmacy Limitations and Exclusions for keywords, such as "coupon," "co-pay card," "manufacturer," and "discount" to determine if there are any written restrictions for the co-pay assistance you may receive from manufacturer co-pay assistance programs.

Your Vertex GPS™ Support Specialist can help review your plan details with you as well as your insurance claims so that you better understand how co-pay assistance is applied to your plan and how it affects your out-of-pocket costs.

CONTACT your insurance provider



Consider talking with a representative to see if your plan has a co-pay adjustment program. Because co-pay adjustment programs can go by many different names, the insurance representative you speak to may not be able to clearly answer the question of whether you are enrolled in one. If the representative does not provide a simple “yes” or “no” answer, try asking these follow-up questions:

- ✔ With my current plan, does co-pay assistance count toward my deductible or is it prohibited? Can it be used to satisfy my out-of-pocket obligations?
- ✔ Are any of my medicines classified as “non-essential?”
- ✔ Do the medicines I take to manage my cystic fibrosis (CF) count towards my plan's out-of-pocket maximum?

TALK to your employer



If you get your insurance through your employer, you can consider contacting the person or department (often human resources) who manages your insurance plan. Keep in mind, your employer may not be aware that the plans they offer use co-pay adjustment programs like accumulators and maximizers, or how these programs may impact your ability to continue with your treatment. If your plan does have a co-pay adjustment program, consider asking your employer if you have any other options.

Remember: co-pay adjustment programs can result in changes to your out-of-pocket expenses, so it is important to understand the steps that you can take to help determine if your health plan is meeting your needs. If you have additional questions about the information in this resource, know that Vertex GPS™ is here to support you.

INSURANCE TERMS TO KNOW

Here are some definitions and examples for common insurance terms to be aware of when navigating your health plan coverage options.

Co-insurance

The percentage of covered medical expenses you pay after you've met your deductible. Your health insurance plan pays the rest.

For example:

If you have an "80/20" plan, it means your plan covers 80% and you pay 20%—up until you reach your maximum out-of-pocket limit.

Co-pay

A set amount you pay (the patient responsibility), for your prescriptions, doctor visits, and other types of care. Typically, a co-pay is a flat dollar amount.

For example:

The cost of a prescription may be covered by insurance, but there will still be a co-pay that you need to pay at the pharmacy.

Co-pay accumulator

A type of co-pay adjustment program that does not count co-pay assistance toward your deductible, out-of-pocket costs, and/or out-of-pocket maximum. Typically, manufacturer co-pay assistance funds prescriptions until the maximum value of the assistance is reached. After that, the patient's out-of-pocket costs begin counting toward their annual deductible and out-of-pocket maximum.

Co-pay adjustment programs

Programs that do not count manufacturer co-pay assistance toward your deductible, out-of-pocket costs, and/or out-of-pocket maximum. This co-pay assistance includes co-pay cards and traditional coupons provided by manufacturers.

Co-pay assistance

Money that a drug manufacturer may provide to patients to help with the co-pay costs of a prescription. Many manufacturers offer this assistance in the form of co-pay cards or traditional coupons.

Co-pay maximizer

A type of co-pay adjustment program that does not count co-pay assistance toward your deductible or out-of-pocket maximum. Typically, the maximum value of the manufacturer's coupon/card is applied evenly throughout the benefit year.

Deductible

The amount you may have to pay for care or prescriptions before your insurance plan's benefits kick-in. Some plans have a single deductible and others have separate deductibles for medical care and prescription drugs.

For example:

Let's say you need a prescription drug that costs you \$100 a month. Your plan deductible is \$1,000, so you will pay \$100 a month until you've paid \$1,000 total. After you meet the \$1,000 deductible, your prescription will be covered by your plan for the rest of that year.

Essential Health Benefits

A set of 10 categories of services health insurance plans must cover under the Affordable Care Act.

Explanation of benefits (EOB)

This is a report or statement you receive from your insurance company that explains in detail how they paid your claim, according to the specific benefits described in your health plan.

Out-of-pocket costs

Costs you have to pay on your own because they're not covered by your insurance plan.

For example:

If you elect to have a procedure that costs \$1,000 and it's not covered by your plan, you will need to pay \$1,000 yourself.

Out-of-pocket maximum

The most you have to pay yourself for care or prescriptions in a plan year before your health insurance or plan pays for the full cost of covered benefits.

For example:

If your out-of-pocket maximum is \$1,000, once you've paid that amount in out-of-pocket costs for the year, your plan will begin to cover those costs.

Did you know?

Under the Affordable Care Act (ACA), most insurance plans must comply with a standard limit on out-of-pocket costs that patients pay for essential health benefits. The current ACA limit on out-of-pocket costs can be found on [Healthcare.gov](https://www.healthcare.gov).

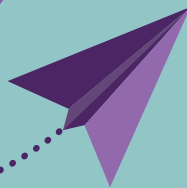
HAVE QUESTIONS?

Your Vertex GPS™ Support Specialist is here to help you find answers and get you the support you need.

Just call or text 1-877-752-5933 (press 2 when calling).

We're available Monday through Friday, 8:30 AM to 7 PM ET.

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