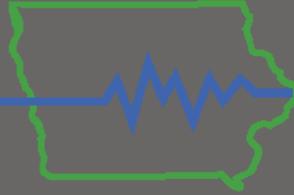


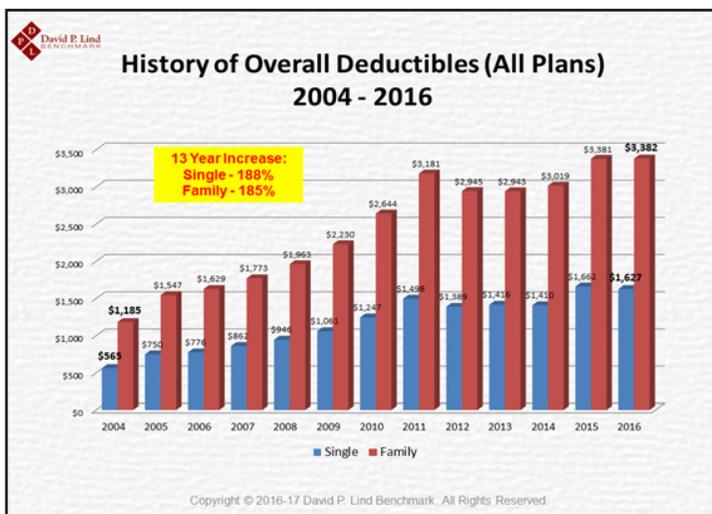
Iowa Copay  
Choice Coalition



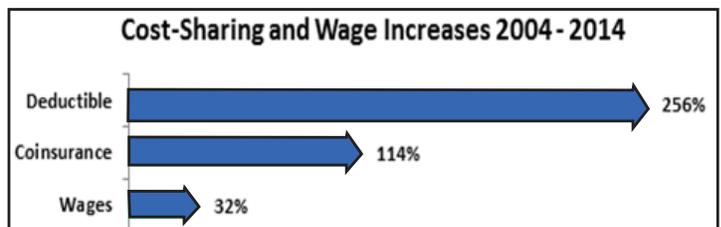
- ✓ Choice
- ✓ Predictability
- ✓ Savings

## Challenges Facing Iowa Patients

- Average deductible for employer based plans in Iowa increased 188% for individuals and 185% for families since 2004. (Figure 1)<sup>i</sup>
- Payments for cost-sharing have risen exponentially across the U.S. since 2004 and have rapidly outpaced wages. (Figure 2)<sup>ii</sup>
- Use of drug (Rx) deductibles across the U.S. increased 100% between 2012 and 2015 (23% to 46%) in commercial health plans.<sup>iii</sup>
- Average annual deductible for health exchange individual policies in 2017 across the country was \$4,328.<sup>iv</sup>
- Nationally, 1 in 5 prescriptions is abandoned while a patient is still paying a deductible.<sup>v</sup>
- Non-adherence to medication regimens adds an additional \$100 billion in costs to the US healthcare system. Indirect costs exceed \$1.5 billion annually in lost patient earnings and \$50 billion in lost productivity.<sup>vi</sup>



(Figure 1)



(Figure 2)

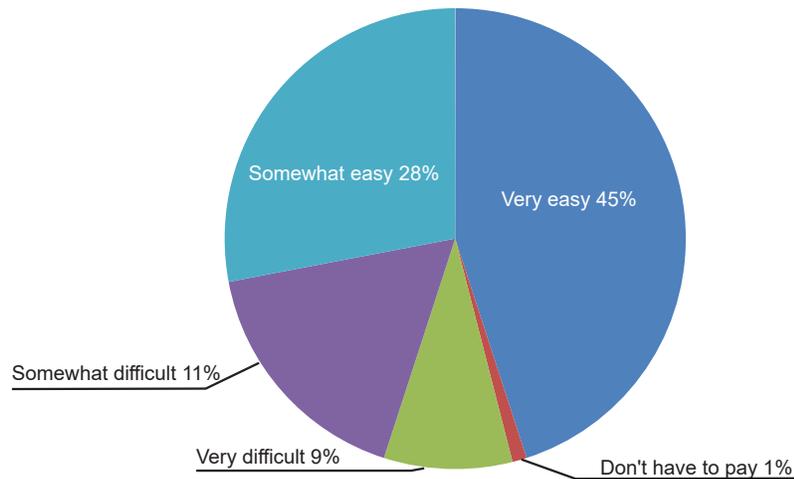
<sup>i</sup>Lind, David, 2016 Iowa Employer Benefits Study©. October 2016. Available at: <https://dplindbenchmark.com/2016-iowa-employer-benefits-study-resultemployers-report-8-increase-in-health-premiums/>  
<sup>ii</sup>Claxton, G., Levitt, L., Long, M., "Payments for cost sharing increasing rapidly over time. Petersen-Kaiser Health System Tracker, Insight Brief." April 12, 2016. Available at: <http://www.healthsystemtracker.org/brief/payments-for-cost-sharing-increasing-rapidly-over-time/>  
<sup>iii</sup>IMS Institute. Emergence and Impact of Pharmacy Deductibles: Implications for Patients in Commercial Health Plans. September 2015. Available at: [http://www.imshealth.com/files/web/IMSH%20Institute/Healthcare%20Briefs/IMS\\_Institute\\_Pharmacy\\_Deductibles.pdf](http://www.imshealth.com/files/web/IMSH%20Institute/Healthcare%20Briefs/IMS_Institute_Pharmacy_Deductibles.pdf)  
<sup>iv</sup>"An analysis of individual and family health insurance policies available for 2017." <http://news.ehealthinsurance.com/news/how-much-does-obamacare-cost/>  
<sup>v</sup>"Kaiser Family Foundation analysis of Truven Health Analytics MarketScan Commercial Claims and Encounters Database." (2004-2014)  
<sup>vi</sup>Goldman D.P., et al. (2004). "Pharmacy Benefits and the Use of Drugs by the Chronically Ill." JAMA., 291(19): 2344- 2350

## Coinsurance

Rather than paying a fixed and predictable co-pay, insurers are requiring more enrollees to pay a percentage of their medicine's list price (coinsurance), which tends to shift cost to the sickest patients, and prevents patients from knowing how much their medicines will cost until they arrive at the pharmacy.<sup>vii</sup>

## Key Facts

- Coinsurance is unaffordable for most Americans as the monthly cost of biologic drugs necessary to treat many serious and chronic illnesses can be in the tens of thousands of dollars.<sup>viii</sup>
- Nationally, use of co-pays for drugs dropped nearly 60% between 2004 and 2014 among commercial insurance plans.<sup>ix</sup>
- Although most people taking prescription medication say they can afford their treatment, about 1 in 4 have a difficult time affording it. (Figure 3)<sup>x</sup>



(Figure 3)

### Insurance Problems

- High costs before drug coverage begins
- Unpredictable drug cost-sharing
- Limited choices for drug coverage
- Sickest patients most impacted

### Solutions

- Increase drug plan CHOICES
- Drug coverage options with NO DEDUCTIBLE
- Drug coverage options with FLAT FEE CO-PAY

<sup>vii</sup>Brooker, Chad, "Waging War on Specialty Pharmaceutical Tiering in Pharmacy Benefit Design." Health Law and Policy Brief 7, no. 2 (2014): 25-48. <sup>viii</sup>Callam, Michael, Who Can Afford it? "The Patient Protection and Affordable Care Act's Failure to Regulate Excessive Cost-sharing of Prescription Biologic Drugs." (2014) 107. <sup>ix</sup>Kamal, Rabah & Cox, Cynthia, "What are the recent and forecasted trends in prescription drug spending?" May 22, 2017. <http://www.healthsystemtracker.org/chart-collection/recent-forecasted-trends-prescription-drug-spending/#item-start> <sup>x</sup>Ibid.