

April 17, 2017

The Honorable Jim Wood
Chair, Assembly Health Committee
State Capitol
Sacramento, CA 95814

RE: AB 265 (Wood) – OPPOSE

Dear Assembly member Wood:

On behalf of the Alliance for Patient Access and the undersigned organizations representing patients and providers, we are writing to express our opposition to AB 265 (Wood), which would **ban patients in California from receiving copayment assistance** from a pharmaceutical manufacturer when a therapeutically equivalent or interchangeable brand or generic medication is available at a lower cost.

Recent changes in insurance design and higher cost-sharing for prescription medicines have led to increased financial burden for many patients. In addition, it is becoming increasingly common that patients must meet a deductible, often quite high, **before** any prescription medication coverage applies.

Patients who must meet a deductible before their medicines are covered have lower adherence to drug therapies and higher prescription abandonment rates than patients who have coverage for medicines without having to reach a deductible.

And while this legislation purports to move patients to a “lower cost” medication, the entities benefiting from the lower costs such as payers are often financially incentivized to dispense the lowest cost medications to patients.

Generic medications, which represent almost 90% of pharmacy transactions, provide a cost-effective alternative for many patients, but there are some patients who are unable to take the lowest cost medication for a variety of health reasons. Forcing these patients to switch to the lowest cost medication puts a patient’s safety at risk and potentially adds additional health care costs due to non-adherence complications and medication errors, which could result in deadly consequences.

Medication non-adherence costs the U.S. economy an estimated \$100 billion to \$300 billion annually.

Manufacturer copayment assistance programs are a **solution** to ensuring that patients have access to and pay the lowest cost for needed prescription medications to keep them healthy and productive. As cost-sharing for prescription medicines has increased in recent years, so has the share of patients who use copay assistance programs. However, the overall share of commercially-insured patients who use copay assistance remains small. In 2015, 5.9 percent of commercial patients used a copay assistance program when filling a prescription, compared to 3.7 percent in 2010.

Copay assistance programs are a valuable resource for many commercially-insured patients, especially those who are struggling to afford the increasing out-of-pocket costs associated with insurance coverage for their medications. These copay assistance options reduce the out-of-pocket burden for these patients, improving access to prescription medicines, and help patients stay on the medicines they need.

AB 265 will eliminate this critical resource for patients and is contrary to the goal of controlling health care costs.

Please oppose AB 265 and protect patient safety and access to necessary medications. Please contact me/us if you have any questions or need additional information.

Sincerely,

Brian Kennedy

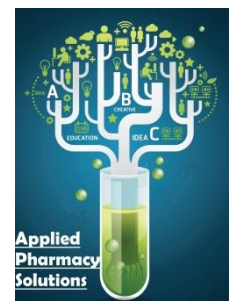
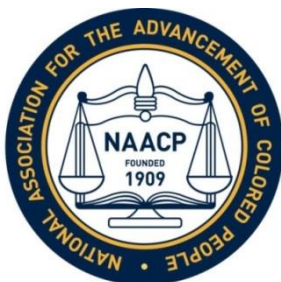
Executive Director

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cc: Members, Assembly Health Committee





Alliance for Patient Access
Along Comes Hope
American Liver Foundation
Applied Pharmacy Solutions
Arthritis Foundation
Autoinflammatory Alliance
Cal Asian Chamber of Commerce
California Association of Area Agencies on Aging
California Hepatitis C Task Force
California Senior Advocates League
Carrie's Touch
Children's PKU Network
Combined Health Agencies
Community Health Action Network (CHAN)
Embracing Latina Leadership Alliances
Everylife Foundation for Rare Diseases
Fair Foundation
Gold Rush Cure Foundation
Healthy African American Families, II
International Cancer Advocacy Network
International Foundation for Autoimmune Arthritis
Lupus Foundation of Southern California
Lupus LA
Medical Oncology Association of Southern California, Inc.
Mexican American Opportunity Foundation
NAACP California
National Association of Hepatitis Task Forces
National Lymphedema Network
National Psoriasis Foundation
NBIA Disorders Association
Neuropathy Action Foundation
ONEgeneration
Partnership to Fight Chronic Disease
Pros Foundation