



May 7, 2024

PEBP Board
PEBP Executive Officer Celestina Glover
3427 Goni Road, STE 109
Carson City, NV 89706

RE: Public Comments 5/9/2024 Meeting

I was a member of the PEBP Board when the Board adopted the SaveOnSP program.

I am writing regarding the declaration in the Master Plan Designs (MPD) that “**copayment assistance for specialty drugs will not apply toward your deductible and Out-of-pocket Maximum**” and to indicate that I believe the master plan designs incorrectly state the intent of the Board and may create issues because of the way the language in the MPD’s have been written. This letter provides background on the adoption of the SaveOnSP program, why the MPD language is wrong, and suggested changes to the language in the MPD.

At the time the SaveOnSP program was adopted, the Board did not vote to disallow copay assistance for specialty drugs in totality. The purpose of using the SaveOnSP program was to allow PEBP participants to access these specialty drugs at no cost to them, while maximizing the amount of copay assistance to the plan to offset that benefit. The intent was to disallow direct copay assistance from pharmaceutical companies from applying to accumulators.

As explained when the SaveOnSP program was presented, the PEBP plan became the beneficiary of any pharmaceutical copay assistance, and the plan participant paid \$0 for the medication. The copay assistance collected by the SaveOnSP program would not apply to the deductible or out of pocket maximum because the plan participant received the medication with no out-of-pocket cost. This left the accumulators in place and the participant would be responsible for all other medical costs that would generally apply to the deductible and out of pocket maximum.

The reason for this change was the pharmaceutical copay assistance was usually GREATER than the out-of-pocket maximum incurred by the member, therefore the actual cost to the plan was less by offering this plan in this manner.

During the March 31, 2020 Board meeting where the SaveOnSP program was approved, there was discussion about patient assistance programs for non SaveOnSP medications. The information provided to the Board was that patient assistance programs could still apply. In other words, patient assistance could apply to the deductibles and copays for drugs not on the SaveOnSP program.

The transcript statement on page 91 on that March 31, 2020 date reads:

MS. DALY: So that's on slide seven and there would be and there are some members that are on a specialty drug with co-pay assistance that are not a part of Save-On. So some of the members will not be participating in Save-On again because of the targeted list. But if they are using the co-pay assistance programs they can continue to do that. Those dollars will not go away and our specialty pharmacy will continue to encourage members to sign up for those dollars if they are available.

COPAYMENT ASSISTANCE

There are many kinds of copayment assistance including direct and indirect. Some indirect patient assistance providers are funded in part by pharmaceutical companies, but users must apply to receive them. This type of assistance is indirect copayment assistance. It's not a coupon anyone can use.

Some of these indirect patient assistant programs include funding from the National Organization for Rare Disorders (NORD) and MedMonk. These programs are indirect patient assistance programs which generally have qualification requirements (need based, or other criteria). These are not direct pharmaceutical coupons but is specifically approved funding placed into an account on behalf of a patient that can be accessed by a specialty pharmacy to cover the bills for certain specialty drugs.

Direct copayment assistance is more in the line of pharmaceutical coupons or direct to consumer incentives or payments that come directly from manufacturers.

When a member participates in the SaveOnSP program, they enroll into it and the plan follows a specific method to capture the copayment assistance for the benefit of the plan. There is a specific agreement between the PEBP plan and the enrolled participant.

There are several patient assistance programs that assist plan members with the costs of drugs that are NOT on the SaveOnSP program.

Absent a specific agreement for the plan to capture the copayment assistance on behalf of a participant, how can the plan possibly take non-direct copay assistance used to pay a medical bill on behalf of participant without applying it to the amount owed by the participant?

The way the PEBP Board has structured the language in the SPD, a participant could qualify for \$20,000 in patient assistance funding from NORD because of financial need, and as this indirect copay assistance was applied to the bills from the specialty pharmacy, the plan would simply take the money without giving credit to the bills the participant is responsible for paying, leaving the participant to pay the bills for the specialty drugs again.

This practice, in my opinion, violates the intent of the Board when the SaveOnSP plan was adopted. I also believe that the application of disallowing non-direct copay assistance from applying toward a deductible or OOP for specialty drugs that are not part of the SaveOnSP program would be arbitrary and capricious and perhaps unlawful. Certainly, such a practice would violate the affordable care act.

I request that PEBP and the PEBP Board clarify/change the currently overbroad statement in the master plan design from:

“copayment assistance for specialty drugs will not apply toward your deductible and Out-of-pocket Maximum”

To read:

“copayment assistance for specialty drugs that are part of the SaveOnSP program will not apply toward your deductible or Out-of-pocket Maximum. Direct copayment assistance from pharmaceutical companies such as discounts or coupons will not apply toward your deductible or Out-of-pocket Maximum. Indirect copayment assistance will apply toward your copays, deductible and Out-of-pocket Maximum.”

A change such as this would align with the intent of the Board that adopted the SaveOnSP program, would clarify to Accredo and UMR when to allow or disallow copayment assistance from applying to accumulators, and would not create an issue for the plan or plan members when indirect copayment assistance is applied when non-SaveOnSP specialty medications are provided by Accredo.

I request that this be clarified in writing before the end of Open Enrollment as it makes a difference on the choices participants make.

Please feel free to reach out to me with any questions.

Sincerely,

