

HEALTH AND HUMAN SERVICES

Resolution HHS-19-28

A RESOLUTION ON PATIENT OUT-OF-POCKET COSTS

WHEREAS, the National Black Caucus of State Legislators (NBCSL) acknowledged the importance of health care costs for their constituents by ratifying policy resolutions on reasonable out-of-pocket (OOP) health care expenses (HHS-15-31) and improving patient affordability of medicines (HHS-18-24);

WHEREAS, health plan sponsors—employers and health plans—are increasing the financial burden on patients by requiring them to pay a growing share of out-of-pocket costs in the form of premiums, deductibles, and copayments and out-of-pocket costs for patients can exceed 30% of the cost of primary care, specialist visits, and some medications, while average deductibles have increased by 150% over the past five years;

WHEREAS, employers are directing more workers into high deductible health plans (HDHPs), which force enrollees to pay high OOP costs until their deductible is met;

WHEREAS, the percentage of workers enrolled in a HDHP went from 5% in 2007 to 17% in 2011 to 28% in 2017. The average deductible for a HDHP enrollee was \$2,300 for single coverage and \$4,527 for family coverage in 2017;

WHEREAS, many patients have no choice but to enroll in a HDHP. In 2017, 30% of covered workers worked for employers that only offered a HDHP, compared to 23% in 2015;

WHEREAS, many patients have access to copay cards to help them afford their OOP costs for some prescription medications, health insurers are implementing policies that prevent this spending from counting toward a patient's deductible, which can dramatically slow a patient's ability to meet his or her deductible;

WHEREAS, a patient's OOP costs have a direct impact on adherence to prescription drug treatment, and a patient may choose to not start or to abandon therapy if the OOP cost is too high, this can have a negative impact on a patient's health and may result in more downstream costs to the health care system;

HEALTH AND HUMAN SERVICES

Resolution HHS-19-28

WHEREAS, research has found that doubling copays reduced patients' adherence to prescribed medicine by 25-45%, and increased emergency room visits and hospitalizations, which drives up health care costs;

WHEREAS, the costs and negative health consequences associated with lack of prescription adherence can be avoided by lowering patient's OOP costs;

WHEREAS, when monthly OOP costs can be kept below \$250 for a specialty drug prescription, patients are less likely to abandon therapy; and
WHEREAS, in 2017, four in 10 American adults could not meet an unexpected expense of \$400 without borrowing money, selling something, or carrying a balance on a credit card, and thus, since patients struggle with high OOP costs.

THEREFORE BE IT RESOLVED, that the National Black Caucus of State Legislators (NBCSL) recognizes it is critical that state policies protect the ability of patients to use co-pay assistance programs, including co-pay cards, to help cover OOP expenses and help ensure a patient's ability to access life-saving therapies;

BE IT FURTHER RESOLVED, states should oppose policies that put limitations on the ability of patients to utilize co-pay assistance. Further, states should implement policies that limit insurer efforts to increase patient OOP burden, and support policies that lessen patient OOP costs including policies that require insurers to offer copay only insurance plans, and/or policies that put a cap on patient OOP costs; and

BE IT FINALLY RESOLVED, that the NBCSL send a copy of this resolution to the President of the United States, the Vice President of the United States, members of Congress, and other federal and state government officials as appropriate.

SPONSOR: Senator Mattie Hunter (IL)

Committee of Jurisdiction: Health and Human Services Policy Committee

Certified by Committee Chair(s): Representative John King (SC) and Representative Toni Rose (TX)

Ratified in Plenary Session: Ratification Date is November 30, 2018

Ratification is certified by: Representative Gregory W. Porter (IN), President