

July 16, 2021

The Honorable Pamela Hunter  
Chair  
The Honorable Deborah Ferguson  
Vice Chair  
National Council of Insurance Legislators  
Health Insurance & Long-Term Care  
Issues Committee  
2317 Route 34 S, Suite 2B  
Manasquan, NJ 08736

Re: AMA Support for the National Council of Insurance Legislators' (NCOIL) draft  
Accumulator Adjustment Program Model Act

Dear Chairwoman Hunter and Vice Chairwoman Ferguson:

On behalf of the American Medical Association (AMA) and our physician and student members, I write to state our support for the National Council of Insurance Legislators' (NCOIL) draft Accumulator Adjustment Program Model Act (Draft Model Act).

The AMA appreciates the Health Insurance and Long-Term Care Issues Committee's continued focus on addressing the high costs of prescription drugs and the impact of these costs on patients' access to care. The AMA recognizes that the solutions to rising drug costs are many and complex, but we know that no worthy solution involves putting patients in the middle, especially patients with complex and chronic conditions.

As you know, patients with chronic conditions often require medication to manage their symptoms or mitigate disease progression. Given the high cost of many of these treatments, patients and their families often rely on charitable financial assistance. Accumulator adjustment programs are used by pharmacy benefit managers (PBMs) and health insurers to restrict this assistance from counting toward patients' deductibles or out-of-pocket maximums, even though the payers receive the cost-sharing payments on behalf of the patients.

Patients are frequently unaware that this assistance is not counting toward their cost-sharing requirements and may, often mid-year, find they are unable to afford their medications or other health care services for them or their families when their out-of-pocket costs are too high.

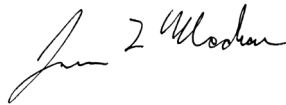
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Regrettably, misguided programs from plans that reduce and deter access to medications are not new to patients and physicians. AMA members regularly work with patients to navigate the many barriers to medications put up by PBMs and health insurers (e.g., prior authorizations and step-therapy requirements) that result in harmful delays in care, denials of medically necessary prescriptions, and forced disruptions in treatments. Accumulator adjustment programs are yet another barrier, even after prior authorization or step-therapy requirements are met, that threaten access to care and patients' health. Unfortunately, for many patients, especially those with high deductible plans and high-cost treatments, even if they have successfully met all their plans' other requirements, this financial barrier may be too high to overcome.

Fortunately, many states are enacting important patient protections that prevent PBMs and insurers from shifting the costs of prescriptions onto patients through accumulator adjustment programs. However, much more work remains. Adoption of this Draft Model Act will give states that have not yet acted an important tool to prevent the problem of high drugs costs from being solved on the backs of patients.

The AMA thanks you for this opportunity to comment and looks forward to NCOIL's continued work on the Draft Model Act. Please contact Emily Carroll, JD, Senior Legislative Attorney, AMA Advocacy Resource Center at [emily.carroll@ama-assn.org](mailto:emily.carroll@ama-assn.org) with any questions or if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and "M".

James L. Madara, MD