Patient Access to Treatments and the 3rd Party Payer Cost-Shifting Crisis

DDNC Urges Legislators to Limit Patient Out-of-Pocket Costs and Curb Current and Future Payer Tactics to Shift Costs onto Patients

Patients with chronic digestive diseases have been impacted dramatically by the efforts of third party payers to increase their already prohibitive share of the cost burden for access to quality care and innovative treatments.

Despite the fact that patients are already paying unprecedented premiums, deductibles, and out-of-pocket costs, third-party payers commonly utilize tactics like the ones highlighted below in order to increase out-of-pocket costs for patients and away from themselves. Many payers, including pharmacy benefit managers, employ these practices despite their unclear effect on the total cost of the patient’s medical needs. These practices often worsen health outcomes and leave the patient stranded without access to care.

**Step Therapy**

Otherwise known as a “fail first” protocol, step therapy mandates that patients try and fail medications preferred by their insurer before the insurer will cover treatments prescribed by their doctor. Payers say the measure is designed to save costs, by mandating that patients use cheaper therapies first. However, evidence shows that impeding the doctor-patient relationship and delaying access to essential treatments can increase costs in the long run for all stakeholders, especially patients. If a patient refuses to abide by a step therapy protocol, payers can deny coverage and shift the total cost for the therapy onto the patient.

**Non-Medical Switching**

It can take patients and their doctors years to find the right therapy to manage their chronic conditions, often through an exhaustive process of trial and error. In an effort to lower their costs, third-party payers have begun refusing to cover the treatment the patient is stable on in favor of different therapies that are cheaper or listed on a formulary. Formulary switches can be justified through clinical evidence, but they are often employed for non-medical reasons. Non-medical switching neglects the painstaking process that patients and physicians undergo to come to a preferred treatment method and often risks a patient’s ability to effectively manage their disease. Patients with ostomy pouches for example experience health care facilities that do not provide a person’s pouching system that works for them but rather switch and provide the formulary brand that they offer, or suppliers switch what was ordered with a generic brand. If a patient refuses, they are expected to shoulder the cost of the treatment on their own.
Co-Pay Accumulator Adjustment Programs

Patients with costly health conditions often utilize co-pay assistance to help pay for their medications. Recently, payers have enacted “co-pay accumulator adjustment programs” to prevent patients from being able to apply these payments to their deductibles and out-of-pocket maximums and forcing them to take on more of the cost themselves. These programs also go by a variety of other names, including, “out of pocket accumulators,” “co-pay maximizers,” and “specialty copay card programs.”

Patients managing chronic and complex medical conditions often don’t have the resources to navigate these medically-questionable and complicated maneuvers that shift costs onto the patient. Most chronic disease patients struggle just to afford their existing medical costs, and they frequently defer essential treatment in order to pay for everyday expenses like groceries and housing.

DDNC urges Congress and the Administration to address these and future tactics in a proactive manner that prevents further cost-shifting aimed at patients suffering from digestive diseases and other chronic health conditions.

About the DDNC
The Digestive Disease National Coalition (DDNC) is an advocacy organization comprised of the major national voluntary and professional societies concerned with digestive diseases. For over 40 years, DDNC has provided national leadership on public policy issues on behalf of patient organizations, professional societies, and industry interested in the full spectrum of digestive disorders. DDNC’s mission is to work cooperatively to improve access to and the quality of digestive disease health care in order to promote the best possible medical outcome and quality of life for current and future patients.

About Digestive Diseases
Digestive diseases are disorders of the digestive tract, which includes the esophagus, stomach, small and large intestines, liver, pancreas, and the gallbladder. Some of these diseases are classified as acute, as they occur over a short period of time, while others are chronic, life-long conditions. 60 to 70 million Americans are affected by these diseases, accounting for 21.7 million hospitalizations and $141.8 billion in health care costs.

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