December 16, 2013

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: Use of Co-Pay Programs and Discount Coupons under the Affordable Care Act

Dear Secretary Sebelius:

I write to you today to request your administration’s clarification and support for the use of manufacturer co-pay assistance programs for prescription medications in the newly available qualifying health plans that are part of the Affordable Care Act.

Each day, our organization, NeedyMeds hears from thousands of Americans who are looking for ways to afford their prescription medications.

For many, the promise of health coverage offers for the first time an assurance that patients will be able to afford the care that they need. But a key component to prescription drug affordability has recently been called into question.

Previously, your office had indicated that the use of co-pay programs and discount coupons would be allowed for patients covered under the newly available health plans. But recent contradictory statements from your office have confused patients, who, without the programs, would be forced to make decisions between paying for their medications and being able to afford other basic life essentials, like mortgage payments and putting food on the table for their families.
In late October, in a letter to Representative Jim McDermott (D-WA), your office indicated that the Qualifying Health Plans in the ACA were unlike other public healthcare programs (Medicare, Medicaid) and therefore not restricted under federal anti-kickback laws, indicating the use of manufacturer co-pay programs and discount coupons was permissible. However, just a few days later, a Q&A document released by HHS seemed to indicate the opposite, leading to confusion for many, including our organization which strives to provide the most up-to-date and relevant information for the thousands of patients we deal with who are struggling to afford their medication.

NeedyMeds is urging your office to quickly clarify this issue, and allow for the use of manufacturer-provided co-pay assistance programs for the purchase of prescription medications.

As you well know, keeping patients on the medications that their doctors prescribe is one of the most effective ways to manage cost in our healthcare system.

Study after study shows that as medication costs for patients rises, the rate of medication adherence declines. Non-adherence to prescribed medication has been shown to increase costs of other healthcare services, including emergency room visits and hospitalizations.

And now, with millions of Americans now able to afford health insurance, the use of these manufacturer discounts may be more important than ever.

An initial analysis of newly available healthcare plans by Avalere Health showed that while premiums were lower for the insured, out-of-pocket costs for medical services and prescription drug coverage could be higher, making the use of discounts and patient assistance programs for prescription drugs critical to ensuring access to medications.

The affordability of healthcare, no matter your income level or pre-existing condition, is one of the fundamentals of the ACA that we at NeedyMeds applauds. Allowing the use of discounts is in accord with that mission, ensuring those who need assistance and healthcare the ability to afford it.
Our organization, like yours, is excited by this new frontier in healthcare that your office has embarked upon. In the last decade, we have helped patients save tens of millions of dollars on the cost of needed medications. We look forward to continuing to help the multitude of Americans who need assistance navigating and paying for the medications that will keep them healthy and productive members of our society.

We look forward to partnering with you in this mission and look forward to your ruling to allow the use of manufacturer discounts for the purchase of prescription medications.

Much like you and your colleagues, we are dedicated to ensuring that patients have access to the medications that their doctors have prescribed.

Sincerely,

Rich Sagall, President
NeedyMeds

Cc: Marilyn Tavenner, Administrator, CMS
Dan Levinson, Inspector General
William Schultz, General Counsel