



March 16, 2021

RE: SB 21-175 (Letter of Concern)

Dear Chairwoman Fields,

Envision:You is a Colorado based not-for-profit organization formed to support, educate, and empower members of Colorado's LGBTQ+ (lesbian, gay, bisexual, transgender, and queer/questioning) community who are living with a mental health and/or substance use disorder. Like you, we are frustrated with the rising costs of prescription drugs and the increasing out-of-pocket expenses patients are burdened with. As ardent advocates for the health and well-being of the LGBTQ+ community, we are looking for solutions that will make prescription drugs affordable and accessible. It is critical any legislative efforts to address these issues focus on proven solutions that make prescription drugs more affordable for patients and not risk access to necessary and often life-saving medication. We are concerned SB21-175 attempts to lower prescription drug costs with an unproven model when other legislative solutions exist that could more quickly and directly impact Colorado patients, while at the same time risking access to life-saving treatments LGBTQ+ individuals need to maintain healthy lives.

### **Eliminate Drug Rebates or Pass the Savings to Patients**

On average, pharmaceutical companies rebate about 40 percent of a medicine's list price back to health insurance companies and pharmacy benefit managers. Right now, these rebates and discounts are not reaching patients at the pharmacy counter. The cost of non-generic HIV treatments can range from \$250 to \$3,700 for a one-month supply. This means that anywhere from \$100 to \$1,480 is staying with the health insurers and pharmacy benefit managers. If insurance companies and pharmacy benefit managers do not pay the full price for medicines, patients shouldn't have to either. These rebates and discounts should be shared with patients at the pharmacy counter or used to lower patient premiums. In Colorado right now neither is happening. Rebates play a role in increasing drug prices and reducing or eliminating rebates could result in lower list prices and more importantly reduced out-of-pocket expenditures. Pursuing rebate reform would result in a more immediate and meaningful impact to members of the LGBTQ+ community.

### **Ensure Co-Pay Assistance Programs Count Toward Deductible and Out-of-Pocket Maximums**

Many individuals living with rare, chronic conditions receive co-pay assistance offered by charities or drug manufacturers to help cover the cost of their health plan's cost sharing requirements, which can be as high as 20% to 50% of their medication. Recently, we have seen a rise in health plans instituting "co-pay accumulator programs" that do not count this assistance towards a patient's deductible. As the Utah Aids Foundation points out, "in the past, copay cards

have assisted HIV+ individuals and PrEP clients in meeting deductibles or out of pocket maximums on their insurance. Once the deductible has been paid in full, clients are able to continue to fill their prescriptions at no cost to them (or pay a small fee). Since co-pay accumulator programs have been put in place clients have found that once the funds run out on their copay card they are now faced with meeting their deductible or out of pocket maximum on their own (emphasis added). This ‘double dipping’ by insurance companies is especially unfair to members of the LGBTQ+ community. As the Kaiser Family Foundation points out, “research suggests that some subgroups of the LGBT community are more likely to suffer from certain chronic conditions and face higher prevalence and earlier onset of disabilities compared to heterosexuals. Other major health concerns include HIV/AIDS, mental illness, substance use, and sexual and physical violence. In addition to the higher rates of illness and health challenges, some LGBT individuals are more likely to experience challenges obtaining care. Barriers include gaps in coverage for certain groups, cost-related hurdles, and stigma, including poor treatment from health care providers.” Several states have passed legislation to limit or prohibit the use of co-pay accumulators in their state regulated plans. Similar policies would greatly assist LGBTQ+ Coloradans.

### **Directly Address Patient Out-of-Pocket Costs**

Patients’ out-of-pocket costs for prescription drugs have continued to rise creating critical access and affordability challenges for many. This is especially true for transgender individuals, those with chronic conditions. According to *Insider*, the cost of medical treatments for transgender people can add up to more than \$100,000, and they’re often not covered by health insurance. Plus, transgender people face discrimination in the workplace, which translates to unemployment rates that are as much as three times as high than they are for the general public. Repeated studies have verified that high out-of-pocket costs are a significant barrier to treatment and often lead to skipped doses or outright abandonment of treatment. While Colorado was one of the first states to start regulating plan design to bring more predictability around patients’ out-of-pocket costs and limit plan designs that discriminate against individuals that rely on specialty medications (i.e., coinsurance-only plans), other states have gone further to protect patients with chronic conditions with more stringent monthly out-of-pocket caps that have not significantly increased insurance premiums according to a 2020 study. These are the kind of measures we strongly urge you to pursue instead of unproven strategies like those proposed in SB-175. (Yeung K, Barthold D, Dusetzina SB, Basu A. Patient and plan spending after state specialty-drug out-of-pocket spending caps. *NEJM*. 2020;383:558-566. doi:10.1056/NEJMsa1910366)

We share your desire to lower health care costs for all Colorado patients and urge you to re-think the approach in SB 21-175. There are better legislative solutions that will directly reduce prescription costs for the many members of our community who already face higher costs and increased barrier to life-saving treatments.

Thank you for your time and consideration.

Sincerely,

*Steven Haden*

Steven Haden  
Chief Executive Officer

Envision:You  
www.envision-you.org

cc: Senate Health and Human Services Committee