



April 12, 2023

North Dakota Legislative Assembly
600 East Boulevard Avenue
Bismarck, ND 58505

Re: HB 1413, Relating to Out-of-Pocket Expenses for Health Care Services

On behalf of the EveryLife Foundation for Rare Diseases, we are pleased to submit testimony in support of HB 1413, *Relating to Out-of-Pocket Expenses for Health Care Services*. The EveryLife Foundation is a nonprofit, nonpartisan organization dedicated to empowering the rare disease patient community to advocate for impactful, science-driven legislation and policy that advances the equitable development of and access to lifesaving diagnoses, treatments, and cures.

It is estimated that over 30 million Americans live with one or more rare diseases that often result in burdensome medical, indirect, and non-medical expenses. Patients and families must navigate how to manage expenses from multiple inpatient and outpatient encounters, costs for prescription therapies and medical devices, and the support services that are critical for managing their health and well-being.

While 95% of rare diseases do not yet have an FDA-approved treatment, for those patients who do have an available therapy, cost-sharing assistance from drug manufacturers and patient assistance programs is an important factor in the ability to access life-altering and life-saving treatments. Unfortunately, insurance companies are increasingly employing accumulator adjustment programs that prevent cost-sharing assistance from being applied to a patient's deductible or out-of-pocket maximum, removing the lifeline of cost-sharing assistance programs. In North Dakota, 25-50% of ACA health plans have copay accumulator policies.¹ HB 1413 would prevent insurers from using these programs to take advantage of North Dakota residents.

While copay accumulator programs can reduce costs for insurance companies, they leave patients with unexpected and unaffordable costs once their copay assistance is exhausted. In 2022, the EveryLife Foundation published *The National Economic Burden of Rare Diseases in the United States*, a study that examined the comprehensive economic impact of a subset of 379 rare diseases. The study found that the total economic impact of rare diseases in the US in 2019 was \$997 billion; 60% of those costs were indirect and non-medical costs shouldered directly by families and society. Of the direct costs, inpatient care was the top driver of medical costs (~15%) while prescription medication was responsible for about 11% of medical costs.² Lowering the costs of health care is an important goal; however, insurance companies that use copay adjustment programs simply shift costs to patients while ultimately collecting up to double

¹ The Aids Institute. February 2023. [Discriminatory Copay Policies Undermine Coverage for People with Chronic Illness](#).

² EveryLife Foundation for Rare Diseases. April 2022. [The National Economic Burden of Rare Disease in the United States in 2019](#).

the amount of the patient's out-of-pocket requirements. Further exacerbating the tremendous out-of-pocket financial load families living with rare diseases are expected to bear.

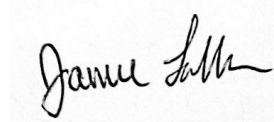
Copay accumulator programs eat into the already tight budget patients have, forcing some patients to take harmful actions, such as medicine rationing and prescription abandonment. An analysis by IQVIA showed that when patient costs reach \$250, over 70% of new patients walk away from the pharmacy empty-handed, highlighting the direct connection between the rise in out-of-pocket costs and prescription abandonment.³

Prescription abandonment is not an option for rare disease patients who are forced to incur considerable financial strain to maintain their prescription medicine costs. Additionally, with the proliferation of high deductible health plans, copay accumulator programs can result in higher out-of-pocket costs for the frequent expert outpatient care that rare disease patients require as it takes longer for patients to satisfy the deductible and out-of-pocket maximum requirements.

Thank you again for the opportunity to testify in support of HB 1413. We are excited at the prospect of North Dakota joining the other sixteen states that have enacted similar legislation to protect patient access to treatments by preventing accumulator adjustment programs. We readily support you in taking a lead on this issue to ensure that all North Dakota residents with a rare disease can maintain access to affordable, life-sustaining medical care.



Emily Stauffer
State Policy Manager
EveryLife Foundation for Rare Diseases



Jamie Sullivan
Senior Director of Policy
EveryLife Foundation for Rare Diseases

CC:

Annie Kennedy, Chief of Policy, Advocacy and Patient Engagement, EveryLife Foundation
Julia Jenkins, Executive Director, EveryLife Foundation
Frank Sasinowski, Chair of the Board, EveryLife Foundation

³ IQVIA. May 2019. [Medicine Use and Spending in the US; A Review of 2018 outlook to 2023](#).