

HIGH OUT-OF-POCKET COSTS PREVENT ACCESS TO MEDICATION

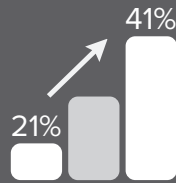
Thanks to innovative new medications, diseases that were once fatal are now being treated as chronic conditions. But these breakthroughs will remain out of reach for many patients, given recent trends in how health insurance is designed. This includes the increasing prevalence of high deductibles and coinsurance, along with formulary structures that limit patient choice.

Trends in Benefit Design

\$5,328 **BRONZE PLAN**
\$2,556 **SILVER PLAN**

Average deductible facing patients with bronze and silver exchange plans.

SOURCE: KAISER FAMILY FOUNDATION



In just a single year, the increase in silver plans charging a coinsurance of more than 30% for specialty medications.

SOURCE: AVALERE HEALTH

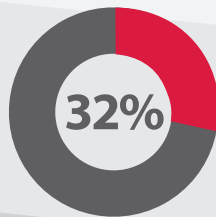


The percentage of silver plans recently found to have placed all medications for HIV/AIDS, cancer, and multiple sclerosis on a higher-cost tier.

SOURCE: AVALERE PLANSCAPE

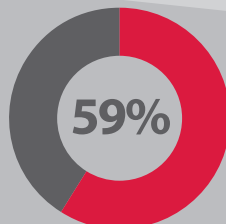
The Patient Impact

\$4,421 U.S. median monthly household income.



The percentage of monthly income that is spent on the average mortgage payment in the U.S.

\$1,200 A patient's out-of-pocket cost for one month's supply of a medication commonly used to treat chronic myeloid leukemia, based on a coinsurance of 20%.



Portion of the median monthly household income that would be absorbed by just two items: mortgage and one month's supply of this medication.

The Solution



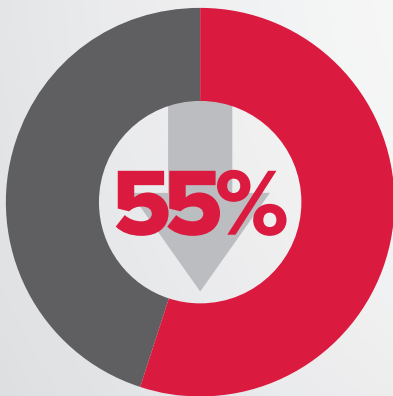
Caps that should be placed on the total out-of-pocket cost that a patient can be asked to pay for one month's supply of a single medication. This would provide dramatic savings for thousands of patients and greatly improve their access to care.



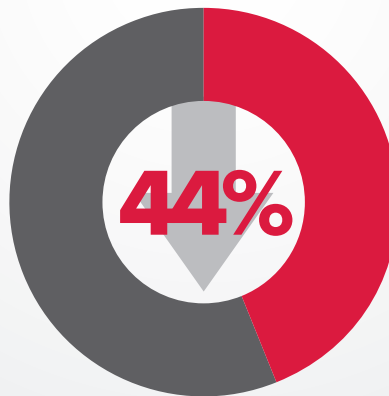
The number of patients who abandon treatment when their cost-share exceeds \$500.

SOURCE: AMERICAN JOURNAL OF MANAGED CARE

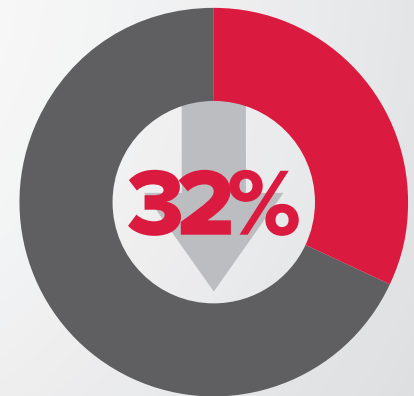
Patients could see reductions
in **total annual costs** of up to:



cost reduction
for HIV/AIDS patients.



cost reduction
for rheumatoid arthritis patients.



cost reduction
for blood cancer patients.

SOURCE: MILLIMAN

But what about premium increases? Any increase would be very small...

- *At the silver, gold, and platinum coverage levels: minor increases ranging from 0.2% to 0.8%*
- *For bronze coverage: a small increase of up to 1.6%*

... all of which could be offset with simple changes to another component of the plan design.