

Rising Out-of-Pocket Costs Threaten an Already Vulnerable Population: An Introduction to the PAN Foundation and AJMC® Collaborative Supplement

Dan Klein, President and CEO, Patient Access Network Foundation

For most of us, it would be hard to imagine skipping meals, defaulting on our mortgages, or taking only half of the required dose of our critical medication because the deductibles, co-pays, and coinsurance for our prescriptions are unaffordable.

Unfortunately, this is a reality for thousands of middle-class Americans living with life-threatening, chronic, and rare diseases who have health insurance, but whose incomes fall between 150% and 400% of the federal poverty level. These individuals often are forced to make impossible financial choices in order to survive. Many of them are Medicare beneficiaries. A recent Kaiser Family Foundation report showed that, in 2015, 3.6 million Medicare beneficiaries with Part D coverage had out-of-pocket (OOP) drug costs above the catastrophic threshold of \$6680. Of these, more than 1 million did not qualify for a federal low-income subsidy to protect them from high OOP drug costs, and the number of these individuals has more than doubled since 2007.¹

Access to medically necessary healthcare is critical for successful patient outcomes, yet it is often impeded or blocked entirely by cost sharing—healthcare expenses that insurers don't cover and that must be paid out of pocket by the patient. Despite its value as a tool to limit discretionary healthcare spending, cost sharing can create overwhelming barriers between patients and medications, diagnostic tests, office visits, surgeries, and other needed services. There are significant concerns that cost sharing limits access to critical treatment for economically vulnerable patients and families. And because of benefit designs that penalize the use of expensive medications, even when there are no less-costly alternatives, and place no limits on unreasonably high OOP costs, the problem of skyrocketing deductibles and coinsurance falls disproportionately on the most seriously ill patients.

Independent charitable patient assistance foundations like the Patient Access Network (PAN) Foundation are among the only places to which Medicare beneficiaries can turn for financial assistance for their prescription medications. However, these charities are just a finger in the dike. The problem will continue to grow until policy makers address the underlying factors that contribute to high OOP

costs, including excessive cost sharing, unnecessary administrative costs, and, of course, the high price of specialty medications and treatment. Until then, independent charitable patient assistance programs will continue to play an essential role in ensuring that hundreds of thousands of patients get the care that they need.

With the issue of rising OOP costs setting the stage, the PAN Foundation is pleased to have continued our partnership with *The American Journal of Managed Care*® (AJMC®) for the third year to have together sponsored the 2017 PAN Challenge. The PAN Challenge comprised a call for papers, issued in summer 2017, titled "The Patient Assistance Safety Net: How Many Need Help? How Many Are Helped?" This national competition solicited papers that addressed the need for patient assistance, the size of the safety net, or both; described the research conducted to analyze and quantify the need for patient assistance and/or the size and characteristics of the safety net; identified the population and specific medical conditions researched, if appropriate; and proposed recommendations to address the need for patient assistance and gaps in the safety net.

The 2017 PAN Challenge winning paper, "Ensuring Access to Prescription Medications in the Post-ACA Healthcare Access Landscape: The Essential Role of FQHCs in the Safety Net for the Underinsured"; the runner-up, "Impact of Trained Oncology Financial Navigators on Patient Out-of-Pocket Spending"; and the honorable mention, "A Descriptive Study of Patients Receiving Foundational Financial Assistance Through Local Specialty Pharmacies," are featured in this supplement. We hope that these papers will foster conversations about how to rein in OOP costs to eliminate barriers between patients and their critical medical treatments. ■

REFERENCE

1. One million Medicare Part D enrollees had out-of-pocket drug costs above the catastrophic threshold in 2015 [news release]. Washington, DC: Kaiser Family Foundation; November 7, 2017. kff.org/medicare/press-release/one-million-medicare-part-d-enrollees-had-out-of-pocket-drug-costs-above-the-catastrophic-threshold-in-2015. Accessed November 7, 2017.

Full text and PDF at www.ajmc.com