

April 30, 2026

House Health and Human Services Committee
State House
82 Smith Street
Providence, RI 02903-1105



Via email: HouseHealthandHumanServices@rilegislature.gov

RE: H 7947 RELATING TO INSURANCE -- PRESCRIPTION DRUG BENEFITS – COPAY ACCUMULATOR PROGRAMS: Opposed

Dear Chair Donovan and members of the House Health and Human Services Committee:

Thank you for the opportunity to comment on H 7947. I represent Prime Therapeutics (Prime), a pharmacy benefit manager (PBM) owned by 19 not-for-profit Blue Cross and Blue Shield Insurers, subsidiaries, or affiliates of those Insurers, including Blue Cross & Blue Shield of Rhode Island. Co-pay accumulator programs allow patients to benefit from the use of co-pay coupons at the point of sale, lowering the out-of-pocket cost for that prescribed drug. H 7947 requires that the co-pay coupon also be applied to the members deductible and maximum out of pocket cost. This practice allows manufacturers to mask the true price of expensive brand-name drugs and steer patients away from lower cost generic or biosimilar alternatives. For this reason, Prime **opposes** H 7947.

Prime helps people get the medicine they need to feel better and live well by managing pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. Our company manages pharmacy claims for more than 30 million people nationally and offers clinical services for people with complex medical conditions. Our business model relies on transparency and advocating for simpler, lowest-net-cost pricing for drugs. Importantly, Prime is focused on purpose beyond profits. We are not publicly traded or owned by a private equity firm. As such, it is not our primary motivation to maximize profits; our primary motivation is to do the right thing.

Copay coupons are a manufacturer marketing tool designed to steer patients to expensive drugs.

Drug manufacturer coupons are a marketing strategy to steer commercially insured patients to a more expensive brand name drug instead of an equally effective, more affordable, generic, biosimilar or brand alternative drug. Co-pay coupons usually are time-limited, dollar amount limited, and only available to commercially insured patients.

Co-pay assistance coupons are lucrative for the manufacturer. A study by the National Bureau of Economic Research Findings on the Profitability of Manufacturer Drug Coupons¹ found:

- For every \$1 million in manufacturer cost-sharing coupons for brand drugs (that competed against a generic), manufacturers reaped more than \$20 million in profits.
- The prices of drugs for which manufacturers offer coupons are going up 12-13% per year, as compared to 7-8% for non-coupons drugs.
- Coupons cause an average of a 3.4 percentage point reduction in generic drug utilization (in preference of branded drug with coupon).
- Drugs without coupons experience real price growth of 7–8 % per year, while drugs with coupons experience price growth of 12–13 % per year.

¹ Leemore Dafny, Christopher Ody, and Matt Schmitt. When Discounts Raise Costs: The Effect of Copay Coupons on Generic Utilization. The National Bureau of Economic Research. October 2016.
<https://www.nber.org/papers/w22745>

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Co-pay accumulator programs let patients use co-pay coupons for short-term savings on their prescriptions while helping keep insurance costs from rising for everyone covered by the plan.

Copay accumulator programs help patients benefit from lower payments at the pharmacy counter by allowing them to use manufacturer co-pay coupons for immediate prescription savings while preventing those subsidies from driving higher costs across the health plan.

Because co-pay coupons are offered on expensive brand name drugs, increased utilization of these drugs ultimately increase the cost of the drug benefit which contribute to higher premiums or other increased expenses for everyone enrolled in the health plan. In other words - copay accumulator programs aim to balance short-term affordability for individuals with long-term cost stability for the broader insured community.

H 7947 eliminates the use of co-pay accumulator programs in RI by requiring the manufacturer subsidy to be applied to the members deductible and maximum out-of-pocket amount. This creates inequity for members who do not take drugs with a manufacturer subsidy, but who ultimately pay the price of increased expenses.

I urge the committee to vote no on H 7947. I welcome the opportunity to further discuss these concerns and work towards evidence-based solutions to help people get the medicine they need to feel better and live well. Thank you for your time and consideration.

Respectfully,



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