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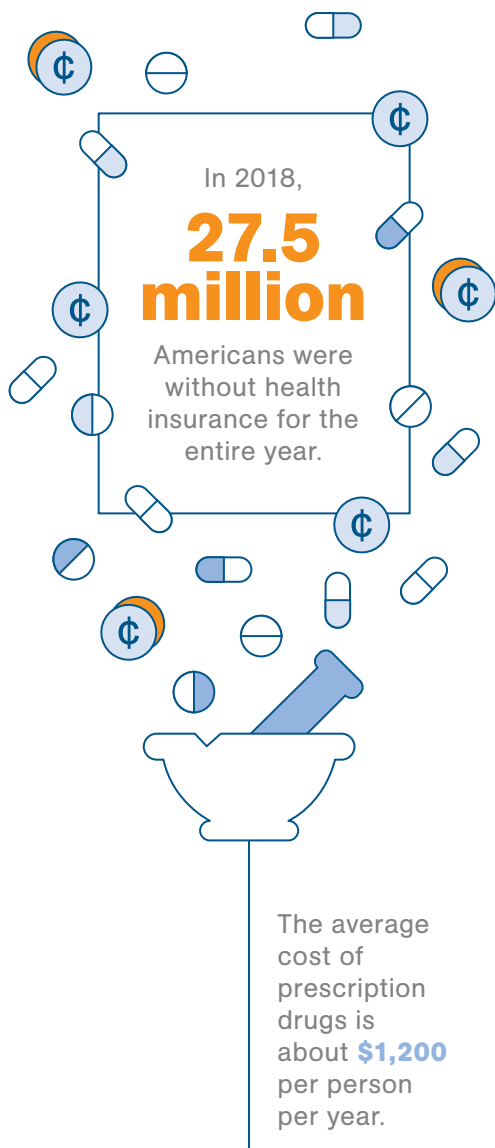


Americans reports skipping medication because they cannot afford to pay for it.

*Recovery options that achieve
more for you and your patients*

Prescription drug costs are rising at a rate substantially higher than inflation, presenting a considerable financial challenge for people who need medication to treat disease or stay healthy. As many as one in eight Americans reports skipping medication because they cannot afford to pay for it¹. Patient assistance programs (PAPs) can provide prescription drugs at little or no cost to eligible patients. For patients who qualify, these programs can be lifesaving. But understanding eligibility requirements and guidelines of various patient assistance programs is essential to determining the best program to offer to your patients.





Prescription medication costs are significant and on the rise. For the many American adults who are underinsured or uninsured, the financial burden can be overwhelming. Patient assistance programs provide certain prescription drugs at low cost — or no cost — to patients who cannot afford them and lack insurance coverage for medication. Over 200 such programs are available from pharmaceutical companies that provide the drugs to healthcare systems, which are responsible for administering the program. Each PAP has its own eligibility guidelines, making administration a complex, time-consuming process. Fortunately, many wholesalers offer PAP recovery services that relieve the burden by identifying eligible patients, completing and verifying enrollment, and facilitating product recovery. With a dedicated team to handle patient assistance programs, healthcare systems can focus on providing optimal medication to patients without regard for their ability to pay.

The cost of good health

In 2018, 27.5 million Americans — 8.5% — were without health insurance for the entire year.² Insured people have various types of coverage, which may or may not pay for prescription medications. Regardless, the average cost of prescription drugs is about \$1,200 per person per year.³ And drug prices are rising, with many insurers restricting coverage and raising co-payments on medications patients need the most. Uninsured adults are more than three times as likely as those with private health insurance to skip needed prescription drugs due to cost.⁴ And lack of coverage for acute or emergency medication leaves consumers with huge bills that they simply cannot pay. In a 2018 survey of 100 hospital executives, 36% reported that their health systems have more than \$10 million in bad debt, and 6% reported bad debt of over \$50 million.⁵

Patient assistance programs relieve financial pressures for both patients and the hospitals and health systems that provide care by providing free medications and medical devices to eligible patients. Participating in PAPs can not only improve your bottom line, but it can also support positive patient outcomes across the continuum of care.

Patient assistance programs: a simple concept with complex execution

A simple plan

Patient assistance programs, which are sponsored by pharmaceutical companies, allow patients to receive medication and medical devices that they otherwise could not afford. PAPs in their current form originated in the 1990s to help patients and hospitals cope with rising drug prices.⁶

The concept was fairly simple: give free or reduced-cost brand name medication to patients who cannot pay for it. Drug-specific eligibility criteria vary among patient assistance programs, but the primary factor has been the patient's income relative to the federal poverty line, size of family, and other income influences.

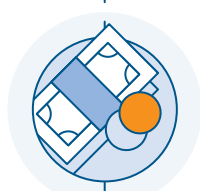
Not so simple anymore

Changes in the healthcare and insurance industries have complicated the affordability factor. A roller coaster economy, increased drug prices, a growing market for costly specialty and orphan drugs, increasing complexity in multi-drug treatment regimens, and a trend toward higher out-of-pocket costs make eligibility formulas difficult to master.

In addition, the Affordable Care Act (ACA) is in flux. Initially, the ACA reduced the number of uninsured Americans (with varying levels of prescription coverage) by requiring U.S. residents to enroll in the program or face a penalty. But benefit coverage is far from consistent. Low-cost plans come with high deductibles, caps and insufficient coverage for catastrophic illness. Drug coverage is adequate only if prescribed medication is in the formulary. PAPs continue to be an important resource for supporting uninsured and underinsured patients as well as individuals who need costly specialty drugs, with the burden for determining eligibility and informing patients falling to providers.

The best reason to participate

Pharmaceutical companies offer these patient-centric programs to help patients overcome financial obstacles, improve adherence and increase adherence. Early adoption of drug therapy often depends on accessibility, particularly in early stages when the medication is not a part of insurance formularies. On the other hand, pharma companies are subject to scrutiny that compels them to maintain tight control on patient qualifications, with extensive documentation to support enrollment and track usage. For hospitals and health systems, the reason to navigate the rules and changes is that it directly affects their bottom line. Industry sources report that providers offering patient assistance programs have recouped 2 to 3% of their annual drug spend, which can be millions of dollars for large organizations. Hospitals that help patients participate in programs that reduce financial toxicity may also see increases in overall patient satisfaction. The challenge is how to keep up with PAP requirements without straining staff time and resources.



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Finding your way in PAP recovery management

Your hospital or health system can manage PAP recovery using one or more of the following approaches:

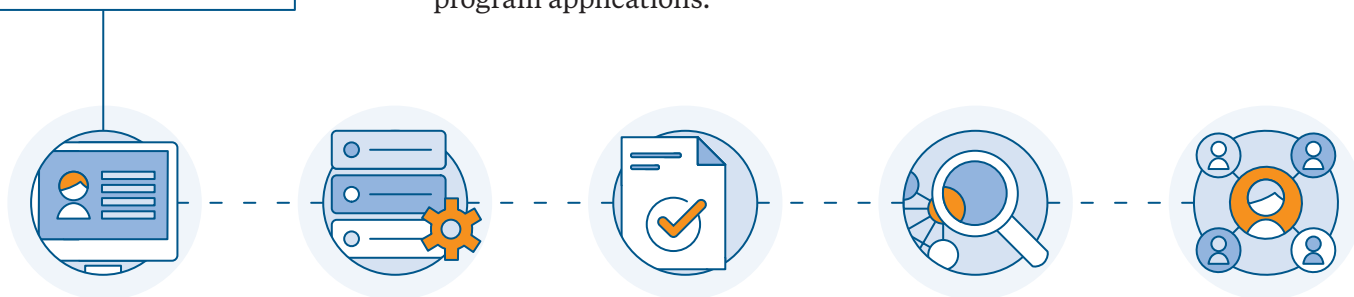
Have a dedicated in-house patient assistance program manager

Participating in patient assistance programs requires that different hospital departments work together. A patient must be enrolled in a PAP before treatment starts in order to benefit. An in-house resource to manage PAPs may help to determine eligibility from the beginning, finding what patient assistance programs are available to the patient and handling enrollment. Having a full-time PAP manager to keep up with different programs and changing requirements is a significant advantage, helping to ensure that patients receive the medication they need while you recover considerable savings. It's crucial for an in-house program manager to have strong communication skills, along with experience in pharmacy and advocacy, in order to best manage their patient assistance program.

PAP software offers a range of capabilities such as storing patient data, automatic completion of required forms, and streamlining and tracing the status of patient assistance program applications.

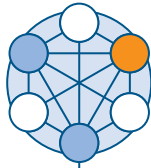
Invest in patient assistance program software

As more pharmaceutical companies offer patient assistance programs, managing manufacturer changes for each program becomes more challenging. Keeping up with required documentation and enrollment criteria without robust software would be close to impossible. You can alleviate these challenges with PAP software, which offers a range of capabilities such as storing patient data, automatic completion of required forms, and streamlining and tracing the status of patient assistance program applications.



Partner with a PAP recovery expert

A partnership with an outside PAP recovery team is the most efficient way to explore recovery options and provide quality care. A company with the expertise and ability to manage your entire patient assistance programs process relieves you of the resource-intensive tasks required for a PAP strategy that supports positive outcomes.



Understanding the complexity of patient assistance programs and knowing how to work with all of them is critical to a successful program.

Diminishing complexity: choosing a PAP recovery partner to handle the details

Many pharmacy services companies provide consulting and services for patient assistance program management. Specific services may vary but should include these key tasks:

Identification of eligible patients

Patient assistance program services use accounting, scheduling and transactional data to find patients who may qualify for assistance. Using this data helps ensure that patients do not fall through the cracks and lose the opportunity to obtain medication they need.

Completion and verification of enrollment

Patient assistance program experts know the ins and outs of hundreds of PAP eligibility programs and are available to handle every aspect, from verifying income to obtaining signatures. Understanding the complexity of PAPs and knowing how to work with all of them is critical to a successful program.

Facilitation of product recovery

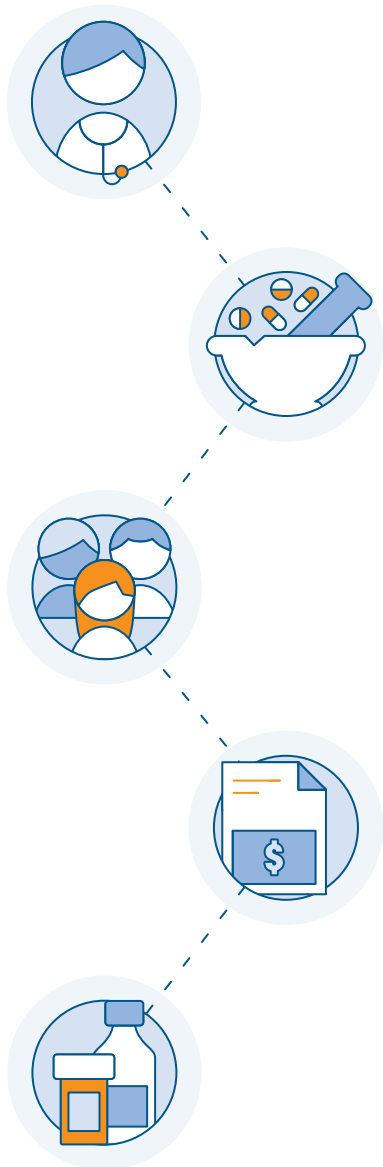
Enrollment is just the beginning of the process. Each medication shipment for recovery must be coordinated, verified, tracked and documented as an adjustment. Medicine can be delivered to a central location, but the patient assistance program team will coordinate with clinics and treatment centers to track delivery to the patient — a process that requires experience and care.

Fueling performance: benefits of PAP recovery services

By partnering with a PAP recovery team of experts, you'll equip your hospital to reap a range of performance-enhancing benefits, including:

- Increased patient enrollment and drug replacements
- Expanded program reach to specialty hospital areas
- Reduced strain on hospital staff resources
- Patient assistance program and regulatory compliance
- Accurate fulfillment of PAP requirements
- Business analysis to maximize PAP potential
- Timely product recovery
- Professional client service to advocate for your patients





IN CONCLUSION

Patient-centered care, the heart of every hospital and health system, requires providing optimal treatment for every patient, regardless of income. Patient assistance programs support uninsured or underinsured patients by providing medication and medical devices they need at no cost to the patient or your hospital. Patient assistance programs are varied and complex, but experienced PAP recovery partners can manage your program without tapping your staff and resources. By identifying, applying and following up with every patient assistance program opportunity, the recovery team ensures that your program will be successful and rewarding at every level.

This white paper was authorized by McKesson Corporation.

Sources:

¹ Mason H. Burley, et al. "Connecting Patients to Prescription Assistance Programs: Effects on Emergency Department and Hospital Utilization." <https://www.jmcp.org/doi/full/10.18553/jmcp.2016.22.4.381>. Accessed September 30, 2019.

² "Income, Poverty and Health Insurance Coverage in the United States: 2018." United States Census Bureau. <https://www.census.gov/newsroom/press-releases/2019/income-poverty.html>. Accessed September 30, 2019.

³ "Key Facts About the Uninsured Population." KFF. <https://www.kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/>. Accessed September 30, 2019.

⁴ Ibid.

⁵ Alanna Moriarty, "5 Hospital Bad Debt Statistics You Need to Know." Definitive Healthcare, March 21, 2019. <https://blog.definitivehc.com/hospital-bad-debt-statistics-you-need-to-know>. Accessed September 30, 2019.

⁶ Suzanne Shelley, "Pharma Struggles to Manage the Complexity of Its Patient Assistance Programs." *Pharmaceutical Commerce*, February 26, 2013. <https://pharmaceuticalcommerce.com/brand-marketing-communications/pharma-struggles-to-manage-the-complexity-of-its-patient-assistance-programs/>. Accessed September 30, 2019.

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