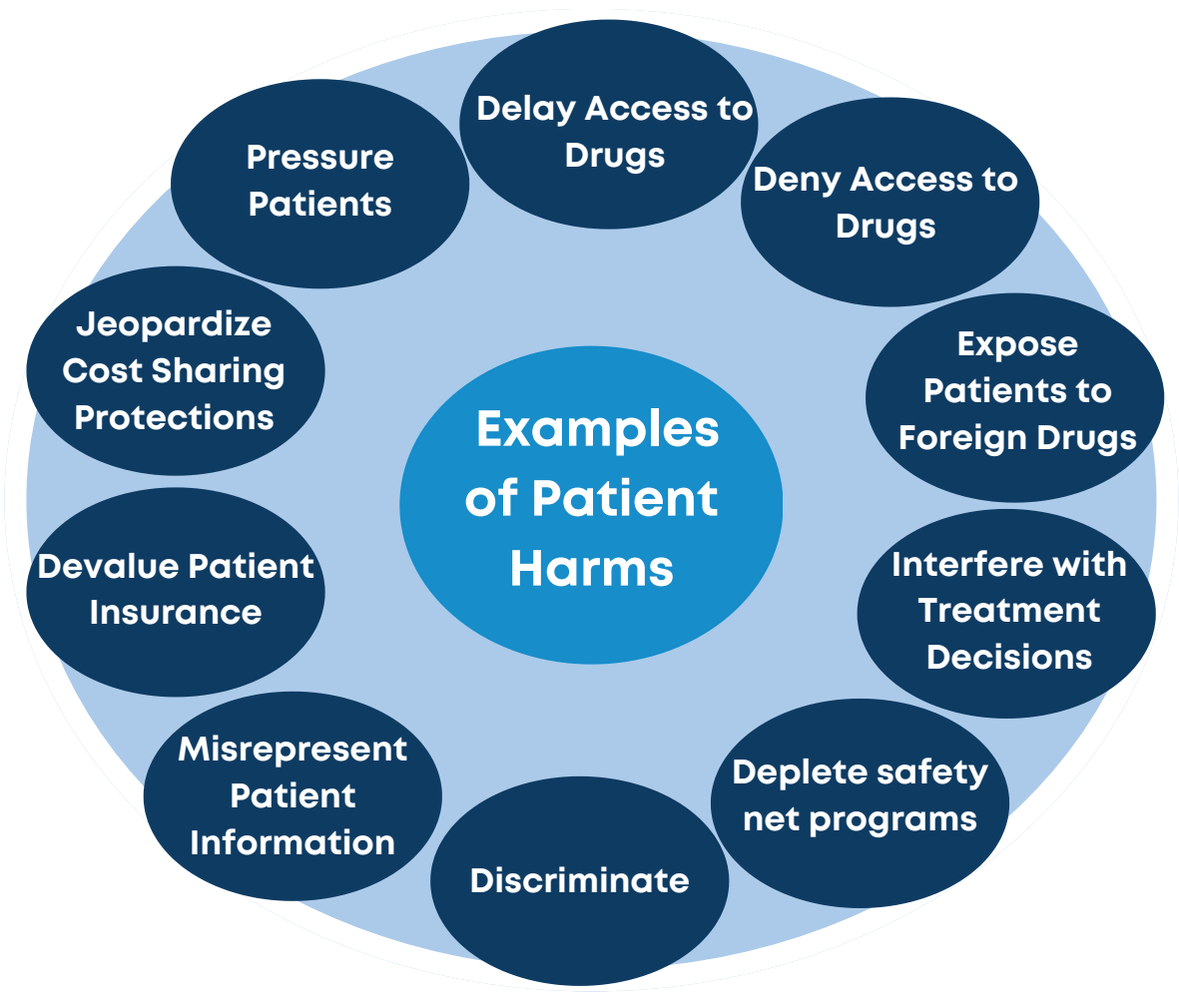
Protecting Patients Against Alternative Funding Programs (AFPs)

AFPs typically operate by manipulating plan design to exclude coverage or deny prior authorization for prescribed specialty drugs for the purpose of making patients effectively uninsured or underinsured so they may qualify to get their drug from another source, usually a manufacturer Patient Assistance Program (PAP). If another source is not available or a patient fails to qualify, some vendors may attempt to import the employee's drug from abroad. AFPs are designed by third-party, for-profit vendors and marketed to self-funded plans as a cost-containment program.

AFPs impose burdensome and potentially dangerous access barriers on patients who rely on timely receipt of FDA-approved prescribed specialty drugs to treat or manage their serious, chronic or complex medical conditions.



AFPs generally require patients to provide tax returns, payroll stubs and sign a limited power of attorney to apply for PAP free drugs not intended for insured patients

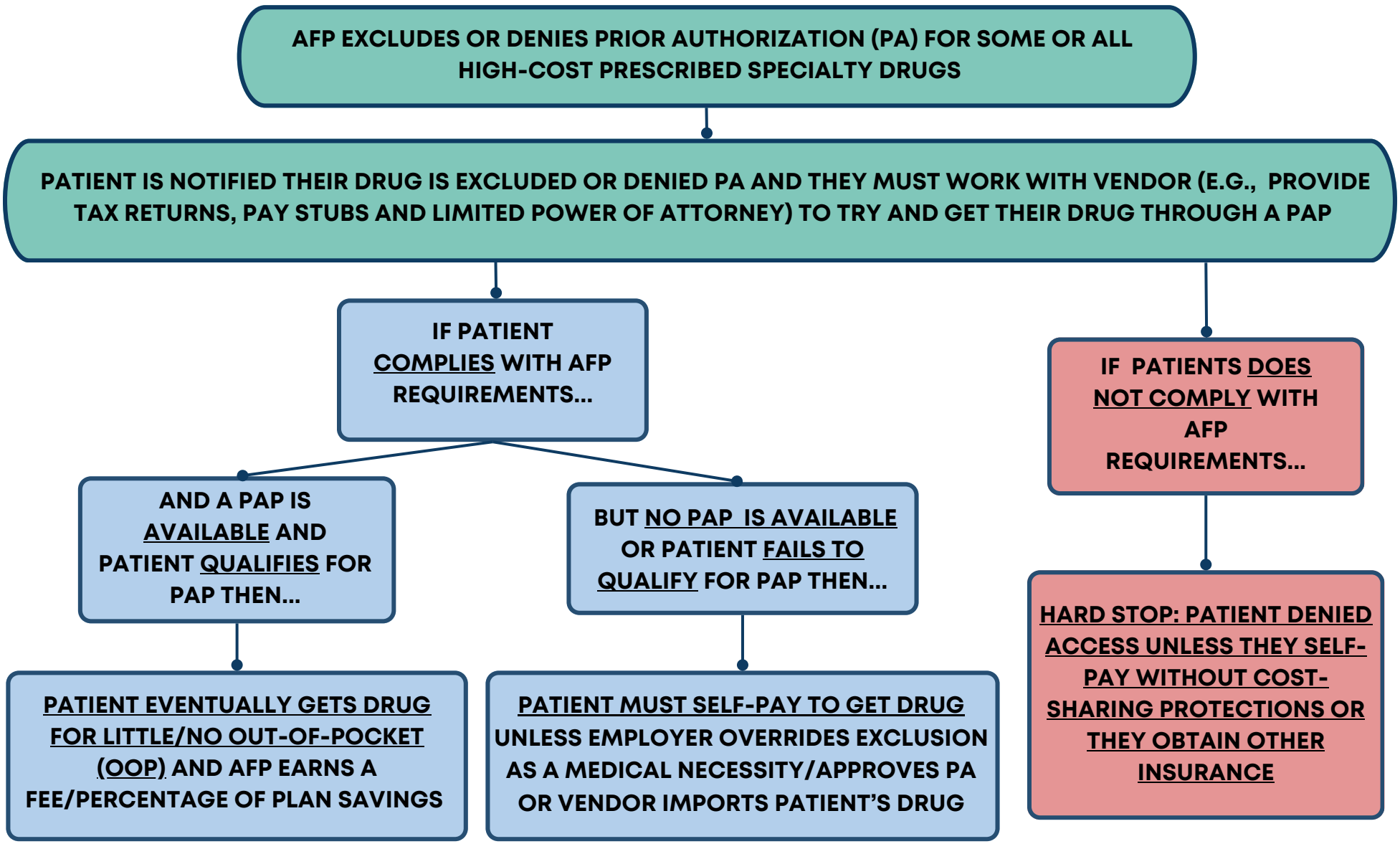
AFP Reach

Approximately 65% of covered workers are in self-funded plans. [1]

On average, patients subject to an AFP reported waiting 2 plus months to receive their medication. [2]

24% of patients whose medication was delayed reported delay worsened their condition. [3]

How Do AFPs Typically Work?



Why Are AFPs a Concern for Patients and Our Health Care System?

*The information below is not intended as legal advice

AFPs usually impose additional requirements on patients that can result in delayed or denied access to prescribed, medically necessary specialty drugs which can negatively impact health outcomes and raise costs for patients and the health care system.

AFPs typically target patients with serious, chronic, or complex medical conditions and/or disabilities who contribute to and rely on their health plan for life-saving or life-enhancing treatment and care.

AFPs may devalue employees' insurance and the premiums they pay to their plan, with disproportionate negative impact on lower income employees.

AFPs may call into question whether employers are meeting their fiduciary duty to employees.

AFPs may expose patients to imported drugs.

AFPs may lead to non-medical switching.

1. Claxton, Gary, et al. "2024 Employer Health Benefits Survey." KFF, 9 Oct. 2024, ww.kff.org/health-costs/report/2024-employer-health-benefits-survey/.

2. Wong, William B., et al. "A descriptive survey of patient experiences and access to specialty medicines with alternative funding programs." Journal of Managed Care & Specialty Pharmacy, vol. 30, no. 11, Nov. 2024, pp. 1308–1316, https://doi.org/10.18553/jmcp.2024.30.11.1308.

3. Id.

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