



Health Insurance

Quick Guide to Co-pay Accumulators, Co-pay Maximizers, & Alternative Funding Programs

The cost of prescription drugs can be a major financial challenge for people coping with a cancer diagnosis. To help, some drug manufacturers and nonprofit organizations offer financial assistance to cover costs patients would normally pay out-of-pocket. Some health insurance plans have changed how they handle this financial assistance, through programs called co-pay accumulators, co-pay maximizers, and alternative funding programs. Understanding these programs can help you better plan for the true costs you will have to pay, understand your rights, and find options for financial help.

What is a Co-payment?

Co-payment (co-pay): a fixed amount you pay out-of-pocket for a covered prescription, usually at the pharmacy. Your co-pay amount depends on your plan's drug formulary, which is the list of drugs your plan covers. The formulary groups drugs into levels, or tiers, with a different cost for you at each tier. At lower tiers you usually pay a co-payment (e.g., \$10). At higher levels, you may have to pay a co-insurance amount, which is a percentage (e.g., 20%).

What is an Out-of-Pocket Maximum?

Out-of-pocket maximum: a fixed dollar amount that is the most that you will have to pay for your medical expenses out-of-pocket during the year. Generally, you reach your out-of-pocket maximum by paying your deductible, plus any co-pays and co-insurance amounts that you pay during the year. Once you reach your out-of-pocket maximum, you will continue to pay your monthly premiums, but your insurance pays 100% of your covered medical expenses for the rest of the year. It is important to know what your plan's out-of-pocket maximum is, and what costs are included. Your plan may have a separate out-of-pocket maximum for prescription drugs.

What is a Co-pay Assistance Program?

Co-pay assistance programs are typically offered by:

- Drug manufacturers for brand name medications
- Nonprofit organizations that help patients with specific conditions



These programs help pay your out-of-pocket costs for prescription drugs. For example, if your co-pay is \$100, the manufacturer provides a \$100 co-pay card, so you would pay \$0 when you pick up your prescription at the pharmacy.

What is a Co-pay Accumulator Program?

A co-pay accumulator is a program used by some health insurance plans that prevents co-pay assistance from counting toward your deductible or out-of-pocket maximum.

Example:

- Maya's prescription's out-of-pocket costs: \$1,000/month
- Maya's plan's out-of-pocket maximum: \$6,000/year
- Co-pay assistance amount: \$1,000/month up to \$6,000/total

Maya does not pay anything when she picks up her prescription and would reach her out-of-pocket maximum in June. She would not pay anything else for covered medical care for the rest of the year.

Without a Co-Pay Accumulator (Assistance Counts)

Month	Co-Pay Assistance Pays	Maya Pays	Amount Counted Toward Out-of-Pocket Maximum	Total Paid Toward Out-of-Pocket Maximum
Jan	\$1,000	\$0	\$1,000	\$1,000
Feb	\$1,000	\$0	\$1,000	\$2,000
Mar	\$1,000	\$0	\$1,000	\$3,000
Apr	\$1,000	\$0	\$1,000	\$4,000
May	\$1,000	\$0	\$1,000	\$5,000
Jun	\$1,000	\$0	\$1,000	\$6,000 <input checked="" type="checkbox"/> Out-of-pocket max is met

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With a Co-Pay Accumulator (Assistance Does NOT Count)

Month	Co-Pay Assistance Pays	Maya Pays	Amount Counted Toward Out-of-Pocket Maximum	Total Paid Toward Out-of-Pocket Maximum
Jan	\$1,000	\$0	\$0	\$0
Feb	\$1,000	\$0	\$0	\$0
Mar	\$1,000	\$0	\$0	\$0
Apr	\$1,000	\$0	\$0	\$0
May	\$1,000	\$0	\$0	\$0
Jun	\$1,000	\$0	\$0	\$0
Jul	\$0	\$1,000	\$1,000	\$1,000
Aug	\$0	\$1,000	\$1,000	\$2,000
Sep	\$0	\$1,000	\$1,000	\$3,000
Oct	\$0	\$1,000	\$1,000	\$4,000
Nov	\$0	\$1,000	\$1,000	\$5,000
Dec	\$0	\$1,000	\$1,000	\$6,000 <input checked="" type="checkbox"/> Out-of-pocket max is met

With the co-pay accumulator, Maya does not make progress toward reaching the out-of-pocket maximum while co-pay assistance is used, and ends up paying \$6,000 out-of-pocket.

What is a Co-pay Maximizer Program?

A co-pay maximizer works differently than a co-pay accumulator. Instead of applying the financial assistance first, until it runs out, the insurance company will spread the total amount of the copay assistance across the plan year.

Example: 

- Maya's prescription's out-of-pocket costs: \$1,200/month
- Maya's plan's out-of-pocket maximum: \$6,000/year
- Co-pay assistance amount: \$12,000/total for the year

With a maximizer, the plan changes her out-of-pocket cost to match the total co-pay assistance available and spreads it out across the full year.

This means Maya would pay \$0 out-of-pocket for her prescription, but does not make progress toward reaching the out-of-pocket maximum and will have to pay her out-of-pocket costs for other health care she receives.

With a Co-Pay Maximizer

Month	Co-Pay Assistance Pays	Maya Pays	Amount Counted Toward Out-of-Pocket Maximum	Remaining Co-Pay Assistance
Jan	\$1,000	\$0	\$0	\$11,000
Feb	\$1,000	\$0	\$0	\$10,000
Mar	\$1,000	\$0	\$0	\$9,000
Apr	\$1,000	\$0	\$0	\$8,000
May	\$1,000	\$0	\$0	\$7,000
Jun	\$1,000	\$0	\$0	\$6,000
Jul	\$1,000	\$0	\$0	\$5,000
Aug	\$1,000	\$0	\$0	\$4,000
Sep	\$1,000	\$0	\$0	\$3,000
Oct	\$1,000	\$0	\$0	\$2,000
Nov	\$1,000	\$0	\$0	\$1,000
Dec	\$1,000	\$0	\$0	\$0

Without a Co-Pay Maximizer

Month	Co-Pay Assistance Pays	Maya Pays	Amount Counted Toward Out-of-Pocket Maximum	Remaining Co-Pay Assistance
Jan	\$1,200	\$0	\$1,200*	\$10,800
Feb	\$1,200	\$0	\$1,200*	\$9,600
Mar	\$1,200	\$0	\$1,200*	\$8,400
Apr	\$1,200	\$0	\$1,200*	\$7,200
May	\$1,200	\$0	\$1,200*	\$6,000
Jun	\$1,200	\$0	\$1,200*	\$4,800
Jul	\$1,200	\$0	\$1,200*	\$3,600
Aug	\$1,200	\$0	\$1,200*	\$2,400
Sep	\$1,200	\$0	\$1,200*	\$1,200
Oct	\$1,200	\$0	\$1,200*	\$0
Nov & Dec	\$0	\$1,200	\$1,200	\$0

Assistance is used up by October. Maya may owe \$1,200 in November and \$1,200 in December, if she has not met her out-of-pocket maximum with other health care expenses during the year.

*Whether the co-pay assistance counts toward the out-of-pocket maximum depends on if her plan is also using a co-pay accumulator.

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Are Co-pay Accumulators and Maximizers Allowed?

It depends on **where you live** and **the type of health insurance plan you have**.

Federal Rules

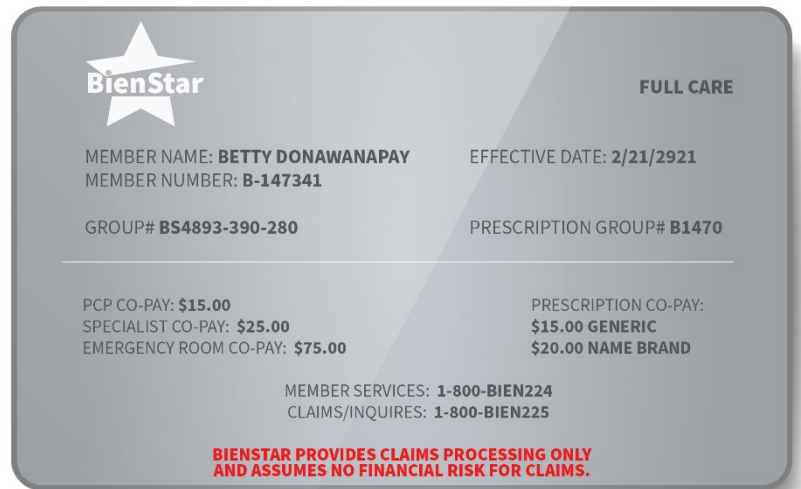
- Federal regulations currently allow health plans to use accumulator and maximizer programs, except when the medication does not have a generic equivalent.
- Federal rules have changed several times in recent years, so this is an evolving issue.

State Laws

- As of 2026, more than 25 states have passed laws that ban or limit co-pay accumulator programs. Visit: [TriageHealth.org/State-Laws](https://www.TriageHealth.org/State-Laws) for more information.
- Note: these state laws only apply to fully insured plans (e.g., Marketplace plans, insured employer plans). These state laws do not apply to self-insured employer plans.

What Is a Self-Insured Plan?

- **Self-insured (or self-funded) health plan:** the employer pays for employees' medical claims directly, instead of buying a policy from an insurance company.
- A third-party administrator (TPA), may administer benefits, process claims, and manage the prescription drug benefit for the employer. That can be confusing because those TPAs are often insurance companies and an employee may have an insurance card with the logo of an insurance company, but it is the employer that is assuming the cost of claims. See this sample insurance card with self-insured language in red.



How to Tell If Your Plan Is Self-Insured?

- Review your plan documents, including the Summary Plan Description (SPD). It may state whether the plan is "self-insured" or "self-funded."
- Ask your HR or benefits administrator: "Is our group health plan self-insured?"
- Statements in plan materials like "ERISA plan," "self-insured employer plan," or "providing claims processing only," are clues that you have a self-insured plan.

How to Find Out if Your Plan Uses These Programs?

- Review your Summary of Benefits and Coverage (SBC) or your Plan Documents (also called Evidence of Coverage).
- Look for terms like "co-pay accumulator adjustment," "co-pay offset program," "co-pay maximizer," "coupon adjustment," "co-pay leveling program," "benefit plan protection program," or "out-of-pocket protection program."
- Contact your insurance company's member services and ask directly: "Does my plan have a co-pay accumulator or maximizer program that affects co-pay assistance?"
- If your coverage is through your employer, ask your HR or benefits administrator whether your plan includes one of these programs.
- It is also important to ask if using these programs is required by your employer-sponsored plan. In some cases, you may be able to opt out, if you ask.

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What Are Alternative Funding Programs (AFPs)?

Alternative Funding Programs are used by some employers to manage the cost of expensive medications. These programs remove certain high-cost drugs from the plan's formulary, arguing that those drugs are not required to be covered (i.e., they are not "essential health benefits"). Employees then have to get financial assistance to pay for those drugs.

How They Work:

- The AFP tells the patient that their medication is not covered by their health plan.
- The AFP applies to manufacturer or nonprofit assistance programs on the patient's behalf.
- If funding is not available, the AFP may try to import the medication from abroad. If that is not an option, the patient may have to pay the full cost of the medication or switch to another medication.

Key Concerns:

- Patients are being denied coverage for medically necessary drugs that would otherwise be covered.
- AFPs can delay treatment while financial assistance is being applied for.
- AFPs use charitable funds meant for uninsured or underinsured patients. This can reduce access to those programs for those who truly need them.
- The patient's out-of-pocket spending may not count toward their deductible or out-of-pocket maximum, because the drug is "not covered" by the plan.

How to Find Out if Your Plan Uses These Programs?

Here are some signs that your employer-sponsored health plan is using an AFP:

- Stops covering all or some specialty medications
- Calls specialty medications "non-essential health benefits"
- Says you have to enroll, or you will be responsible for 100% of your medication costs
- Asks you to sign a consent form so that they can apply for financial assistance for you
- Says that you can't appeal a coverage denial
- Some examples of AFP vendors include: Archimedes, Horton, ImpaxRx, PaydHealth, SaveOnSP, PrudentRx, Payer Matrix, PriceMDs SHARx, ScriptSourcing



What if Your Plan Isn't Covering Your Medication?

1. **File an Appeal.**
You have the right to appeal an insurance denial, through an internal and external appeal. Work with your health care team to explain why a medication is medically necessary for you. Learn more: [TriageHealth.org/Appeals](https://www.triagehealth.org/appeals)
2. **Check for Patient Assistance Programs.**
3. **Change Your Insurance Plan.** Check to see if you can change your insurance plan during the next open enrollment period, to one that doesn't use a co-pay accumulator, maximizer, or AFP.
4. **Talk to Your Employer's HR Department.** Share your experience with co-pay accumulator, maximizer, or AFP programs, and encourage your employer to change their options for the future.

**For more information about navigating health insurance, visit:
[TriageHealth.org/Health-Insurance](https://www.TriageHealth.org/Health-Insurance)**

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