

Medicare reforms enacted through the Inflation Reduction Act

March 28, 2023

 PAN Foundation



Understanding patient assistance programs

- Pharmaceutical company programs
- Charitable foundation assistance programs
 - Nonprofit organizations that assist underinsured patients with financial support for their prescribed treatment
 - An important safety net, especially for people on Medicare



About PAN

We are a national patient assistance organization that helps underinsured people with life-threatening, chronic, and rare diseases **pay for their out-of-pocket treatment costs, while advocating for more affordable care** .



PAN offers over 70 disease funds

Chronic

Autoimmune diseases

Ankylosing spondylitis
 Plaque psoriasis
 Psoriatic arthritis
 Rheumatoid arthritis

Behavioral health

Bipolar disorder
 Schizophrenia

Blood disorders

Diabetic foot ulcer
 Hypercholesterolemia
 Hyperkalemia
 Immune thrombocytic purpura
 Neutropenia
 Venous leg ulcer

Endocrine disorders

Type 2 Diabetes

Eye diseases

Macular diseases
 Retinal vein occlusion

Gastrointestinal diseases

Inflammatory bowel disease
 Gastrointestinal stromal tumor

Chronic

Heart diseases

Heart failure

Infectious diseases

Hepatitis C
 HIV treatment and prevention

Integumentary diseases

Atopic dermatitis

Lung diseases

Asthma
 Pulmonary hypertension

Musculoskeletal diseases

Post-menopausal osteoporosis

Neurologic disorders

Multiple sclerosis
 Parkinson's disease

Rare

Autoimmune diseases

Graft versus host disease
 Myasthenia gravis
 Paroxysmal nocturnal hemoglobinuria
 Pemphigus vulgaris

Rare

Blood disorders

Hemophilia*
 Hemolytic uremic syndrome
 Sickle cell disease
 Von Willebrand disease

Endocrine disorders

Acromegaly
 Cushing's disease or syndrome

Eye diseases

Inherited retinal disease*
 Neurotrophic keratitis
 Uveitis

Gastrointestinal diseases

Short bowel syndrome*

Metabolic disorders

Amyloidosis
 Fabry disease*
 Gaucher disease
 Lysosomal acid lipase
 Pompe disease

Neurologic disorders

Duchenne muscular dystrophy
 Neuromyelitis optica spectrum disorder
 Spinal muscular atrophy

Oncology

Acute myeloid leukemia
 Basal cell carcinoma
 Biliary tract cancer
 Bladder cancer
 Chronic lymphocytic leukemia
 Colorectal cancer
 Glioblastoma multiforme
 Liver cancer
 Mantle cell lymphoma
 Melanoma
 Metastatic breast cancer
 Multiple myeloma
 Non-Hodgkin's lymphoma
 Non-small cell lung cancer
 Ovarian cancer
 Pancreatic cancer
 Philadelphia chromosome
 Negative myeloproliferative neoplasms
 Prostate cancer
 Renal cell carcinoma
 Small cell lung cancer
 Waldenstrom macroglobulinemia

* Premium fund also available

Waldenstrom Macroglobulinemia Macroglobulinemia

Funding amount: \$7,000 per year

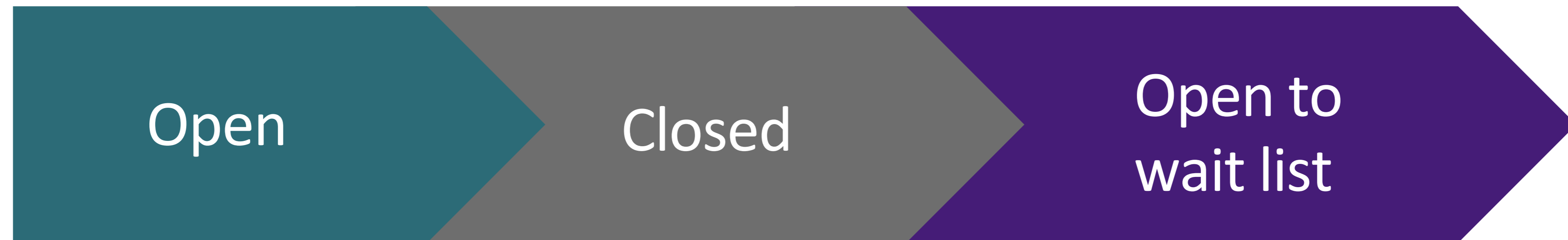
Eligibility criteria:

To get financial assistance for Waldenstrom Macroglobulinemia you must:

- Be getting treatment for Waldenstrom Macroglobulinemia.
- Reside and receive treatment in the United States or U.S. territories. (U.S. citizenship is not a requirement.)
- Have Medicare health insurance that covers your qualifying medication or product.
- Be prescribed a medication or product that is listed on PAN's list of covered medications.
- Have an income that falls at or below 500% of the Federal Poverty Level.



3 fund statuses



Open

Fund is open for the general public to apply.

Closed

Fund is closed because there is no funding available.

You can add patients to the waitlist.

Open to wait list

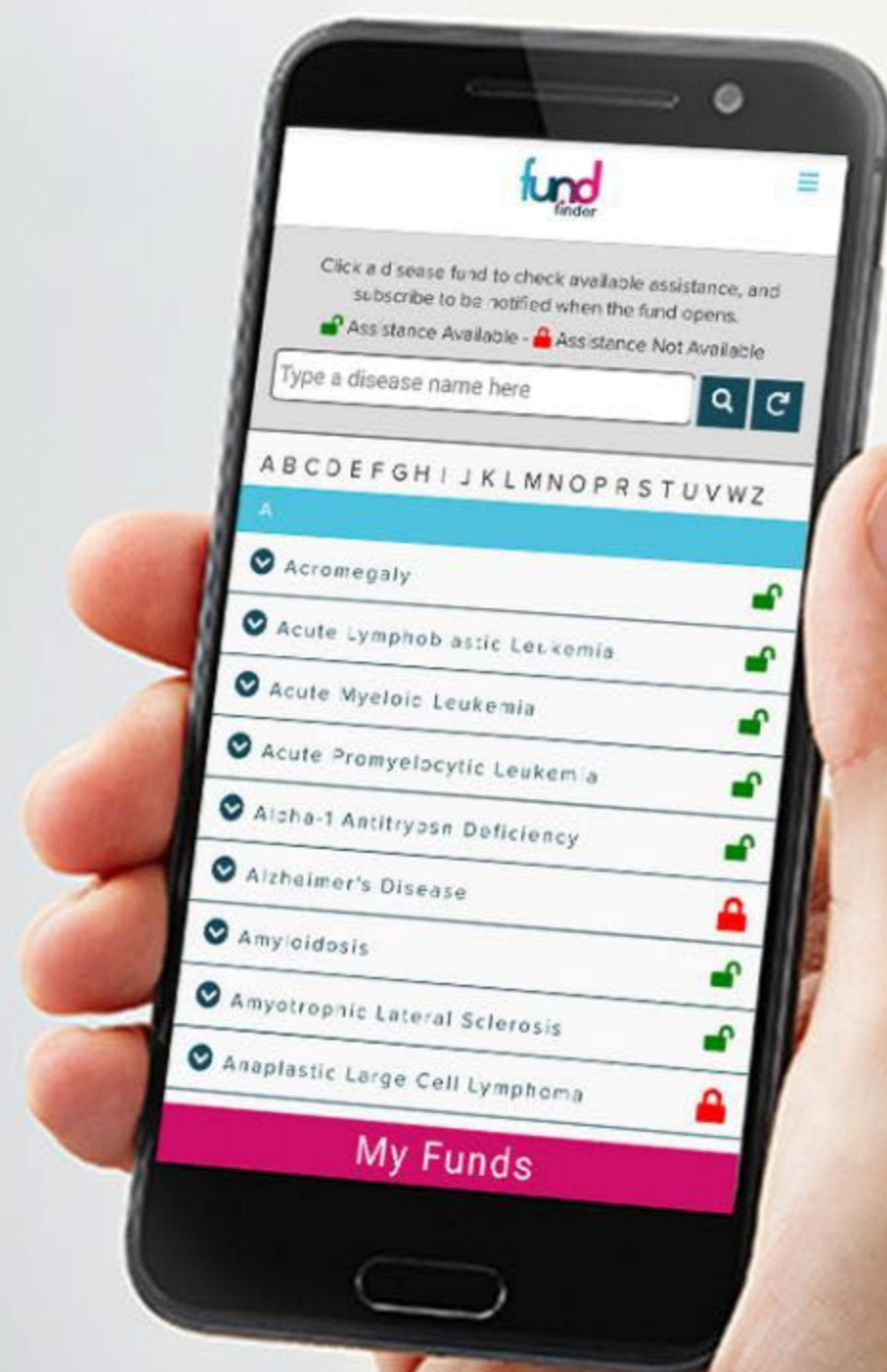
Fund is open to only the patients on the waitlist.

Check if fund is open/enroll

3 ways to check the status of PAN funds:

- Visit PAN's website
 - panfoundation.org
- Use your PAN portal account
 - Provider: providerportal.panfoundation.org
 - Pharmacy: pharmacyportal.panfoundation.org
- Call us
 - 1-866-316-7263, 9 am – 5:30 pm ET, Mon – Fri





Real-time alerts when financial assistance becomes available

- Anyone can sign up for free by visiting fundfinder.org
- Tracks the available funding status of over 200 patient assistance programs at 9 charitable foundations
- Get alerts by text message and/or email
- **Advocacy organizations** to connect you with **additional resources** .

Timeline for Medicare Part D reforms



2023

1. Vaccines without co-pays
2. Insulin co-pays limited to \$35/month



2024

1. Giving more people “Extra Help”
2. Elimination of 5% coinsurance for catastrophic phase



2025

1. A \$2,000 annual cap on prescription costs
2. Monthly payments that can “smooth” yearly out-of-pocket costs for prescription medications

2023 Vaccine coverage under Medicare

Type of vaccine	Covered by Medicare Part B?	Covered by Medicare Advantage and Medicare Part D?
Chicken pox (varicella)		✓
COVID 19	✓	
Flu	✓	
Hepatitis A (when medically necessary)		✓
Hepatitis B (if at increased risk)	✓	
Measles, mumps, rubella (MMR)		✓
Meningococcal (meningitis)		✓
Pneumococcal (pneumonia)	✓	
Shingles/herpes zoster		✓
Tetanus (if needed)	✓	
Tdap (tetanus, diphtheria, and pertussis [also called whooping cough])		✓
Rabies (if needed)	✓	



What you need to know: insulin co-pays capped at \$35/month

Before reforms:

- Each year, people with Medicare Part D insurance have spent \$1 billion on out-of-pocket costs for insulin.

After reforms:

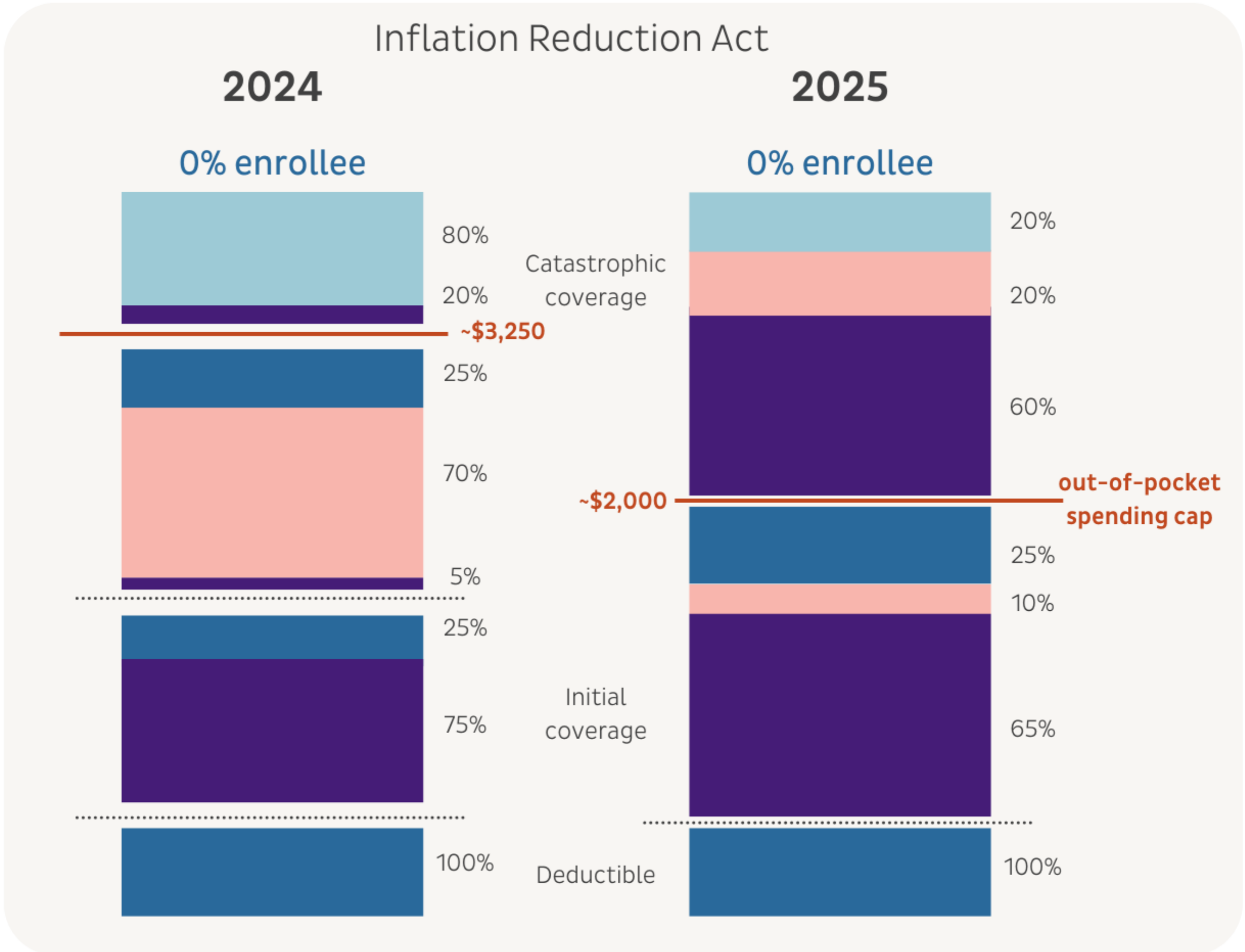
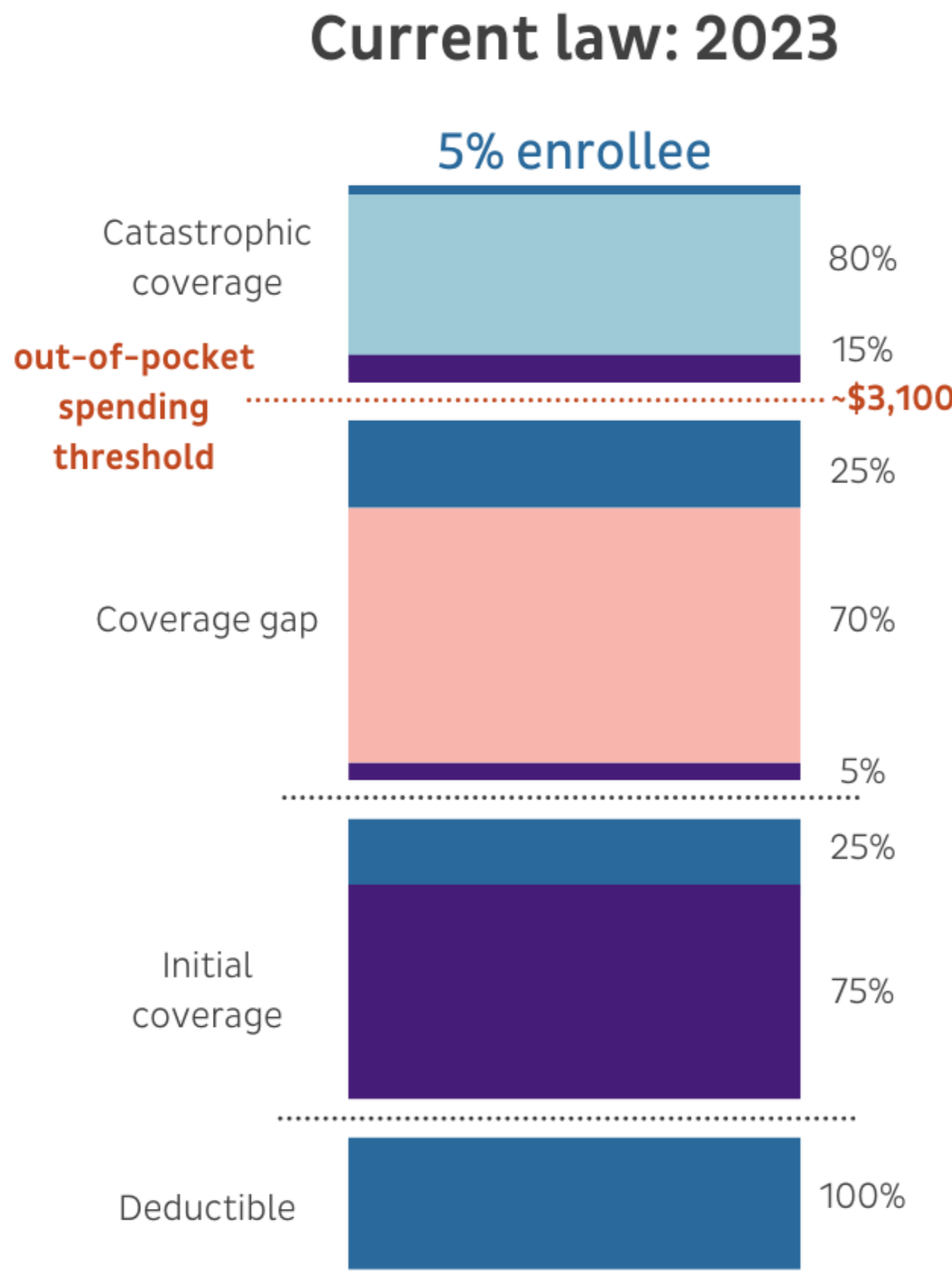
- Effective January 1, 2023, people with Medicare will have a \$35 per month cap for their insulin products – included under Part D and Part B.
- Plans are not required to cover all insulin products, but the products they cover are capped at \$35/month.
- Starting to see caps placed by individual manufacturers in the private market

Expansion of the Extra Help Program

- The Low-Income Subsidy or Extra Help Program helps beneficiaries with their Part D premiums, deductibles and cost sharing for prescription medications.
 - Eligibility depends on one's income, and resources/assets.
 - Income is evaluated against federal poverty level guidelines.
- Today people on Medicare can qualify for either FULL or PARTIAL benefits in this program.
 - Full benefits: up to 135% FPL
 - Partial benefit: between 135% and 150% of FPL
- **The Inflation Reduction Act eliminates the partial program.**
- **FULL benefits will be offered to people with incomes up to 150% of the federal poverty level.**
(Today, based on current federal poverty level guidelines, that is about \$ 30,000 for a family of 2)

Cap and Smoothing

Changes to Medicare Part D for Brand-Name Drug Costs



Share of brand-name drug costs paid by: ● Enrollees ● Part D Plans ● Drug manufacturers ● Medicare



Recap:

lowering out-of-pocket costs 2023-2025

- 2023 - no changes
- 2024 - 5% coinsurance eliminated. On average, people will spend no more than \$3,250 out of pocket annually
- 2025 - \$2,000 annual cap on out-of-pocket costs

2025

You must opt-in to smoothing!

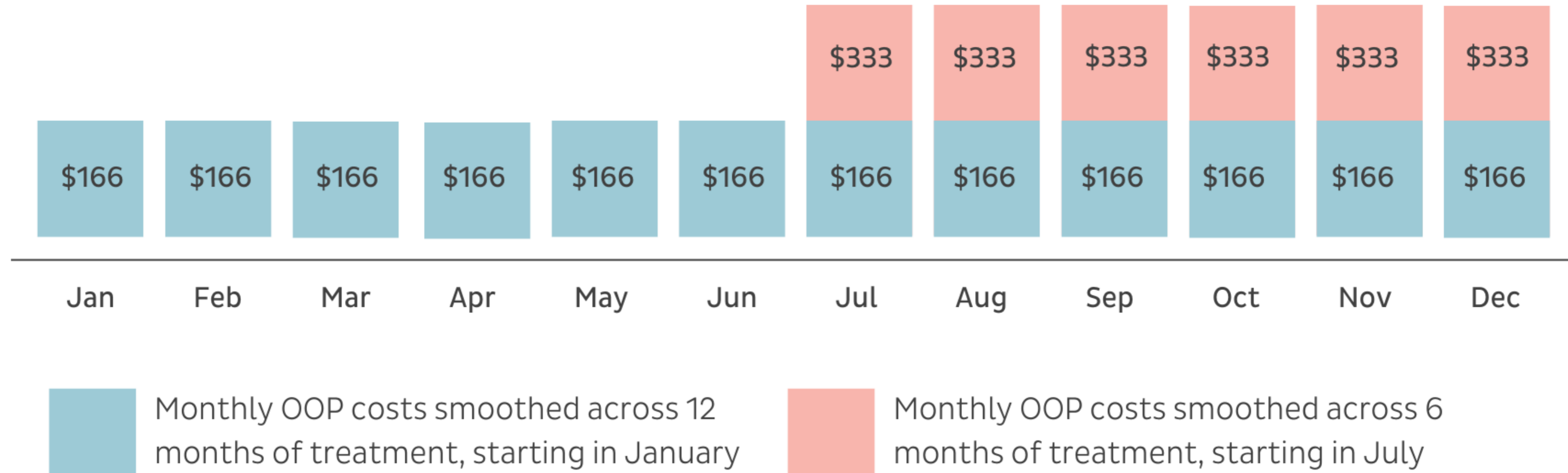


\$2,000 annual cap on out-of-pocket spending for people with Medicare Part D



Option for monthly payments to smooth out total out-of-pocket responsibility throughout the year, with an overall monthly maximum

Monthly OOP costs, \$12,000 annually, smoothed across 6 months versus 12 months of treatment



Medicare reforms education hub

The screenshot shows the PAN Foundation website's Medicare reforms education hub. At the top, the PAN Foundation logo is on the left, and navigation links for ABOUT US, NEWS & BLOG, CORPORATE DONORS, CAREERS, CONTACT US, and LOGIN are on the right. A search bar is also present. Below the navigation, there are dropdown menus for 'Apply and manage grants', 'Find a disease fund', 'Stories', 'Advocacy', and 'Get involved', along with a 'Donate' button. The main content area features a teal background with the text 'Everything you need to know about Medicare reforms' and a photo of a woman in a kitchen. Below this, a horizontal menu lists 'About the reforms', 'Cost and coverage', 'About the Part D cap', 'About Part D smoothing', 'PAN grants', and 'Resources'. The main article title is 'Your guide to the upcoming changes', followed by a paragraph of text and a red 'APPLY NOW' button.

PAN Foundation

ABOUT US NEWS & BLOG CORPORATE DONORS CAREERS CONTACT US LOGIN Search

Apply and manage grants Find a disease fund Stories Advocacy Get involved Donate

Everything you need to know about Medicare reforms

About the reforms Cost and coverage About the Part D cap About Part D smoothing PAN grants Resources

Your guide to the upcoming changes

There are six key Medicare reforms that were passed in 2022 as part of the [Inflation Reduction Act](#). They will take effect in the coming months and years, beginning in 2023. *This article was last updated in February 2023.*

Below, we outline the reforms, when they will take effect, and what people with Medicare insurance will need to know. We've also addressed many of the questions we

APPLY NOW

<https://www.panfoundation.org/everything-you-need-to-know-about-medicare-reforms/>

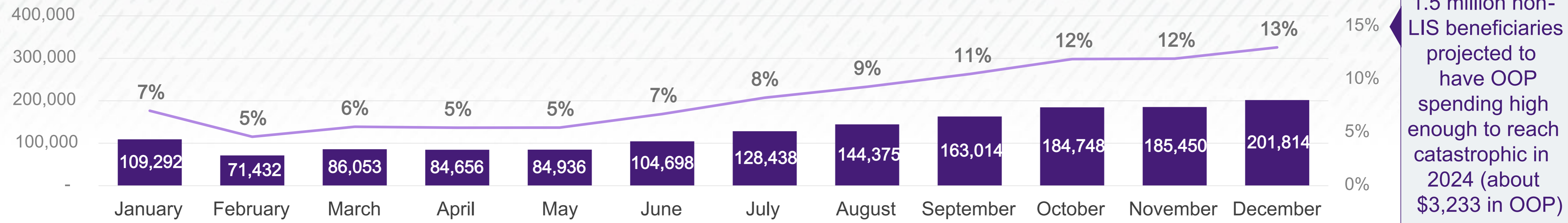
- Updated regularly based on guidance from Medicare.gov
- Regular communication with advocacy community, alliance partners, health care providers
- Advocacy alerts to bring attention to specific reforms
- Education through annual patient webinar (Fall 2023)
- Meetings with CMS about smoothing
 - Patient protections
 - Educating patients and providers

2024

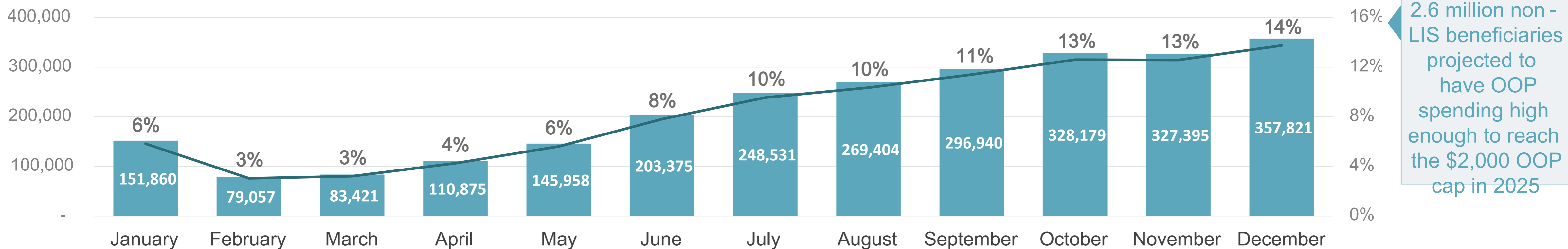
2025

A Significant Number of Enrollees Will Have Spending High Enough to Reach Catastrophic in 2024 and 2025

Non-LIS Beneficiaries Projected to Reach Catastrophic in Each Month, 2024



Non-LIS Beneficiaries Projected to Reach the \$2,000 OOP Cap in Each Month, 2025



■ Number of Beneficiaries Projected to Reach Catastrophic in Each Month, 2024 and 2025

— Share of Beneficiaries Reaching Catastrophic in Each Month, Among Beneficiaries Projected to Reach Catastrophic, 2024 and 2025

What patients are saying about these reforms



PAN conducted a national poll to explore the impact of a \$2,000 annual limit on annual out-of-pocket costs and what financial challenges may remain for patients.

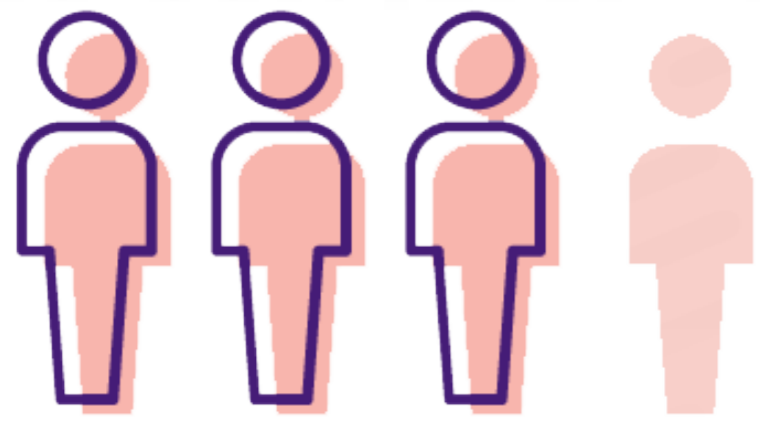


The online poll included a sample of 2,040 adults on Medicare.



Overall, the poll found that many adults on Medicare would find it difficult to pay \$2,000 in annual out-of-pocket costs.

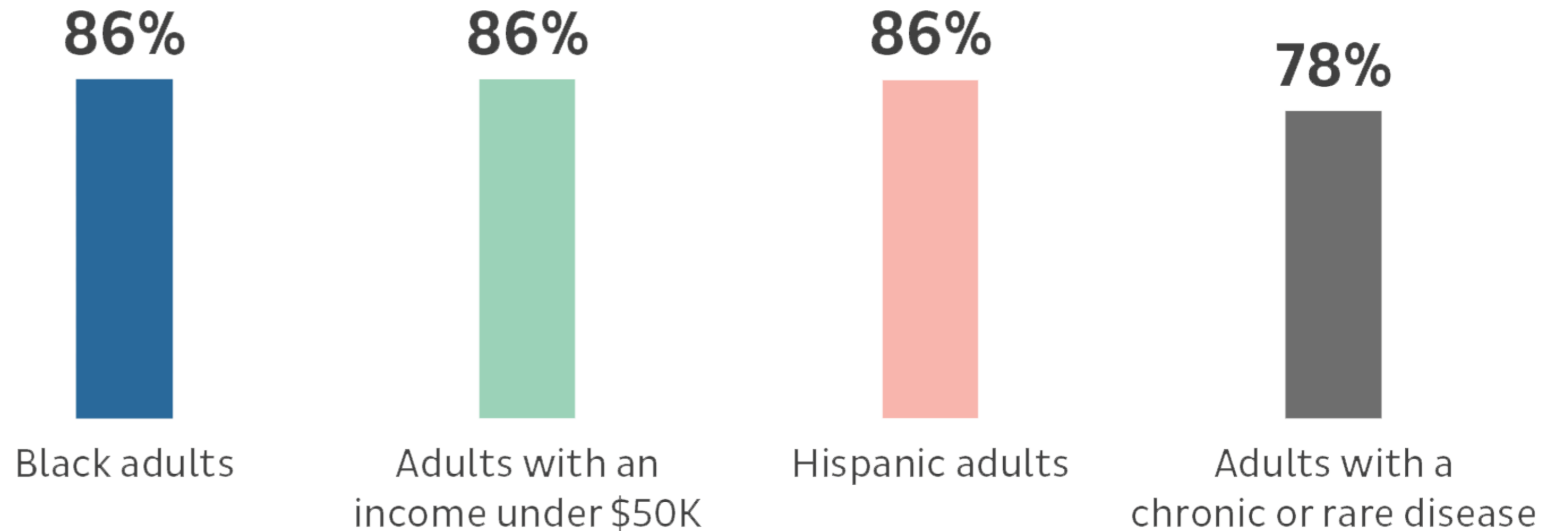
A majority of adults on Medicare say it would be difficult to pay \$2,000 a year for prescriptions*



3 in 4

adults on Medicare, regardless of their health status, say it would be **difficult to pay that amount.**

Cost concerns are especially high among certain groups on Medicare:



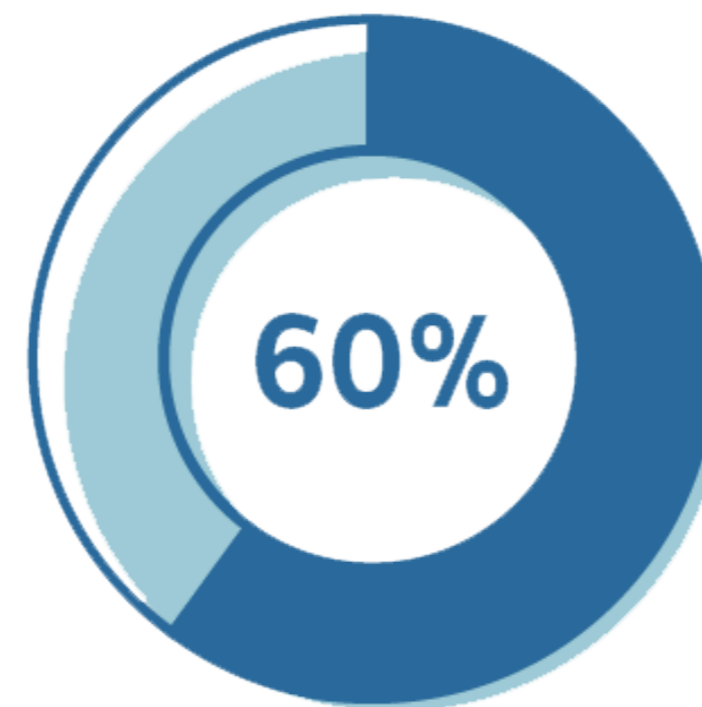
*Responses in this section aggregated to include both adults on Medicare currently paying over and under \$2,000 in out-of-pocket costs.

While some patients are considering cutting back on food to afford their medications, many already are



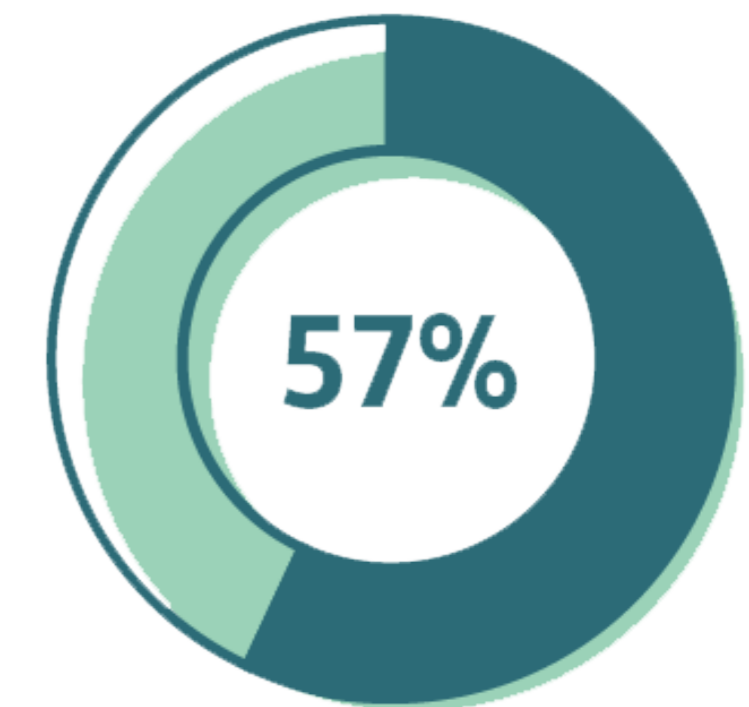
If their out-of-pocket prescription costs were \$2,000, **most adults on Medicare say they would cut back on food to afford their medications.**

Out-of-pocket costs under \$2K/year



Report they would need to cut back on food-related expenses.

Out-of-pocket costs over \$2K/year



Report they have already cut back on food-related expenses.

The role of patient assistance



Far too often, high out-of-pocket prescription costs—when taken into account with the total cost of care and other living expenses—lead individuals to delay or go without their prescribed medications.



This recent analysis and polling reinforces that many Medicare Part D beneficiaries will continue to face real challenges affording their out-of-pocket prescription costs, even with the new reforms in place.



PAN's charitable assistance programs will continue to play a critical role by ensuring those most in need—including those from marginalized communities—can afford and access the care they need and deserve.

Questions?