

Frequently Asked Questions for IRA/Medicare Insulin Benefit

1. Is all insulin covered at \$35, or just certain ones?

Under a prescription drug plan, if an insulin is a covered insulin product, the \$35 cap for a month's supply for each insulin applies, beginning January 1, 2023. A covered insulin product is one that is included on a Part D sponsor's formulary. This includes any new insulin products that become available during the plan year. An insulin product might also be considered covered in other instances.

In addition, under Medicare Part B, if insulin is delivered through a traditional pump that is covered under the durable medical equipment benefit, the coinsurance amount for a person with Medicare is capped at \$35 for a month's supply of insulin beginning July 1, 2023.

2. Does the \$35 cap apply across all phases of prescription drug coverage (including the coverage gap)?

Yes, and the deductible doesn't apply to these insulin products.

3. Does the insulin \$35 cap apply to everyone, even those with Partial Extra Help?

Yes, the \$35 cap applies to all people with prescription drug coverage under Medicare Part D, including those with Partial Extra Help, beginning January 1, 2023. People with Full Extra Help already have lower cost-sharing for insulin, and will continue to pay the lower amounts.

In addition, beginning July 1, 2023, the \$35 cap on coinsurance for a month's supply of insulin applies to people with Medicare Part B that use insulin provided through a traditional pump that is covered under the durable medical equipment benefit.

4. Is the \$35 insulin cap at both preferred and non-preferred pharmacies under an individual's prescription drug plan?

Yes

5. What costs for insulin count toward True Out-of-Pocket (TrOOP) costs?

The \$35 (or less) cost-sharing for a month's supply of each insulin product counts toward TrOOP.

6. Why don't the plans in Medicare Plan Finder reflect the insulin provisions in the IRA?

While the insulin provision in the IRA places a limit on the enrollee cost sharing for a one month's supply of each covered insulin drug, it doesn't change to the drug prices submitted by Part D plan sponsors. Cost sharing data is collected by CMS in the Plan Benefit Package (PBP), which is part of the approved plan bid. The plan bid is submitted and approved on an annual cycle, and it cannot be modified after the bid process concludes for the year. Plan bids for 2023 were submitted to CMS on Monday, June 6, 2022, so the 2023 plan bids don't account for the new \$35 copayment cap on covered insulin drugs.

7. Will the insulin cost-sharing amounts be updated in the Medicare Plan Finder later in 2023?

Because Plan Finder can display only what is in the Plan Benefit Packages, which were submitted as part of the plan's bid, the insulin cost sharing can't be updated in 2023. The amounts can only be updated as part of the next annual bid cycle in spring/summer of 2023 to display the information for the 2024 plan year. Until the end of 2023, for individuals who include an insulin drug in their drug list in Plan Finder, targeted messaging will appear at several places throughout the Plan Finder flow to help educate and guide them on the new benefit.

8. Can you tell me more about the Special Enrollment Period I've heard about?

After Open Enrollment ends on December 7, we will be helping people who use insulin who experience any issues or concerns (beginning December 8, 2022 and throughout 2023), using our existing processes to grant a Special Enrollment Period (SEP) for Exceptional Circumstances. This SEP will allow an individual who uses a covered insulin product to add, drop, or change their Part D coverage beginning on December 8th, 2022 and ending on December 31, 2023. A person with Medicare who takes insulin may use this SEP one time during this period. Consistent with current policy, when Part D enrollees change plans mid-year, their True Out-of-Pocket (TrOOP) costs carry over from one plan to the next.

9. If someone takes insulin through a traditional pump and is using that pump on January 1, 2023, will they be required to pay the Medicare Part B deductible when they get insulin for the pump? Will they have any additional out-of-pocket costs for insulin and if so, will a Medigap supplemental plan cover those costs?

From January 1, 2023 through June 30, 2023, the Part B deductible will apply for insulin used through a traditional pump covered under the durable medical equipment benefit. However, starting July 1, 2023, the Medicare Part B deductible does not apply for insulin used through a traditional pump that is covered under the durable medical equipment benefit. In addition, beginning July 1, 2023, coinsurance that someone with Medicare Part B pays for a month's supply of insulin cannot exceed \$35. If you have Medigap supplemental plan that covers Medicare Part B coinsurance/copayments, that plan should cover the \$35.00 maximum copayment beginning July 1, 2023.

10. Will plans be able to remove some insulin products from their formularies during the year or add restrictions i.e. prior authorization or step therapy?

Your plan can change their formulary for specific reasons during the year, for example, because of new drug developments or safety improvements. Your plan may change their formulary by:

- Adding or removing drugs,
- Placing a drug in a lower cost-sharing level,
- Replacing a brand-name drug with a generic drug, or
- Removing utilization management requirements.

Medicare must approve most changes that your plan makes to the formulary. In general, your plan must notify you at least 30 days before the cost or coverage of your drug changes. Your plan doesn't need Medicare's approval for removing from its formulary drugs withdrawn from the market by either the Food and Drug Administration or a product manufacturer.