



Highlighting Medicare Benefit Changes

*Impact of the Inflation Reduction Act (IRA)
on Part D Redesign and Medicare Extra Help*

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Introduction

Sanofi and Regeneron created this guide to help you and your patients stay up to date on changes to Medicare Part D prescription drug coverage due to the IRA. The IRA has overarching implications for many healthcare stakeholders and patients.

The purpose of this guide is to help you:

- Explain the impact of certain IRA drug provisions to patients
- Clarify the benefits of the Medicare Extra Help program to patients

This resource explains:

- What is changing
- Who is eligible
- How patients can determine their Medicare Extra Help eligibility

Resource guide

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Medicare Extra Help <ul style="list-style-type: none">• All beneficiaries with incomes below 150% of the federal poverty level (FPL) will qualify for full benefits	4
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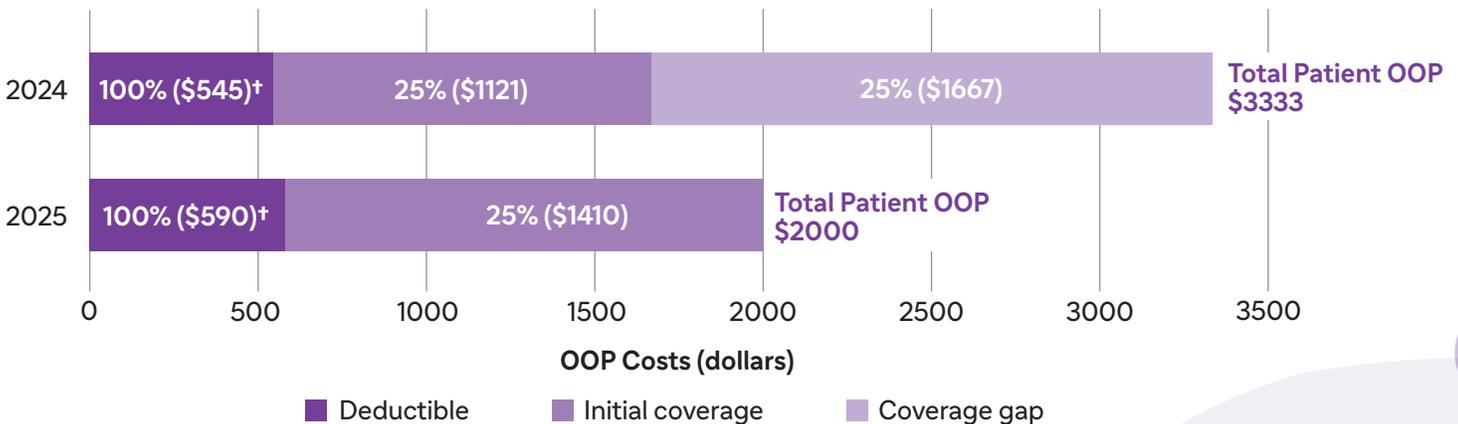
For additional information on other provisions of the IRA, [click here](#).

The IRA introduces significant changes to Medicare Part D

Part D changes are focused on lowering drug prices for enrollees by¹:

- Limiting increases in the base beneficiary premium²
- Capping yearly enrollee OOP costs at approximately \$3300 by eliminating the 5% coinsurance requirement in the catastrophic phase (effective 2024)
- Capping enrollee OOP costs at \$2000 for the 2025 plan year
- Allowing enrollees to have their OOP costs spread out into monthly payments across the plan year (known as “smoothing”) via the Medicare Prescription Payment Plan.³ Enrollees will need to opt in to this voluntary program
 - Enrollees who opt in to the Medicare Prescription Payment Plan pay \$0 at the pharmacy counter for a covered Part D drug and instead may receive a monthly bill⁴

OOP Costs for Part D Enrollees in 2024 and 2025^{5,6,*}



Starting in 2025, patients can opt in to pay a fixed amount per month rather than their full \$2000 OOP costs after enrolling in the Medicare Prescription Payment Plan^{3,‡}

*Graphic adapted from Cubanski J, Neuman T. KFF. 2023.⁶ Not all stakeholder cost-sharing responsibilities are included.

[†]Not all Part D plans charge a deductible, but many enrollees in stand-alone drug plans are charged the standard deductible amount.⁶

[‡]The monthly maximum payment of \$167 is dependent upon an enrollee starting treatment on January 1. Potential changes to a Part D enrollee’s clinical condition, medication status, or cost sharing could affect the enrollee’s monthly payment.⁴

Medicare Extra Help provides benefits to enrollees with financial needs

Medicare Extra Help, or Part D Low-Income Subsidy (LIS), is a federal program that helps enrollees with limited income and resources pay for prescription drug costs.⁷ The Social Security Administration (SSA) is responsible for determining eligibility and administering the subsidy, and the CMS ensures that eligible enrollees receive their approved assistance.⁸

If your eligible patients have Medicare Part D, the Extra Help program can help them pay for prescriptions.

- To qualify, enrollees must either meet the low-income and resource criteria or be enrolled in Medicaid⁷

In 2024, Part D enrollees who qualify for LIS will benefit from IRA changes



There will no longer be a partial LIS benefit program for individuals with incomes greater than 135% and up to 150% of the FPL. Instead, full benefits will be offered to those with limited resources and incomes up to 150% of the FPL.⁶

Qualified enrollees will pay⁹:

- \$0 for Medicare Part D plan premiums
- \$0 for Medicare Part D plan deductibles
- A reduced amount for generic and branded drugs

To qualify, an enrollee's individual annual income must not exceed \$22,590 or \$30,660 for a married couple in 2024.^{9,*}

Beneficiaries are assessed for Extra Help eligibility annually

Extra Help eligibility is determined in 1 of 2 ways⁷:

- A beneficiary's gross monthly income in 2024 must be no more than \$1903, or \$2575 for a married couple, and their assets must not exceed \$17,220 for an individual or \$34,360 for a married couple^{7,9,*}
 - Assets include money in a checking, savings, or retirement account, or stocks and bonds¹⁰
 - Assets do not include a beneficiary's home, one car, burial plots, up to \$1500 for burial expenses, furniture, and other household and personal items¹⁰
- If a beneficiary is fully enrolled in Medicaid or has Supplemental Security Income or a Medicare Savings Program, they automatically qualify regardless of Extra Help's income eligibility requirements⁷

The CMS or SSA sends several letters to beneficiaries receiving assistance under Extra Help to inform them of their status in the program for the upcoming year.¹⁰

If beneficiaries do not qualify for Extra Help now, they can reapply at any time¹⁰

Additional support options

There are other programs that assist Medicare beneficiaries with OOP costs, including Qualified Medicare Beneficiary (QMB), Specified Low-income Medicare Beneficiary (SLMB), Qualifying Individual (QI), and Qualified Disabled Working Individual (QDWI).¹¹

*SSA will apply a \$20 per month exclusion toward unearned income.⁷

Glossary

- Beneficiary:** A person enrolled in an insurance plan with covered health benefits¹²
- Catastrophic coverage:** Enrollees must reach their maximum OOP cost (\$8000 in 2024, \$2000 in 2025) to initiate catastrophic coverage. Once catastrophic coverage is reached, nearly all costs for covered prescriptions are paid by the insurer and the beneficiary is responsible for only a small portion of the drug's cost. If a beneficiary has full Extra Help, they pay nothing for drugs on the formulary for the rest of the calendar year^{13,14}
- Coinsurance:** A percentage share (eg, 20%) of the cost that a beneficiary must pay OOP for their prescription¹³
- Copayment:** A flat rate (eg, \$25) that a beneficiary must pay OOP for their prescription¹³
- Coverage gap:** The Part D benefit phase, also known as the “donut hole,” in which beneficiaries are responsible for a portion of their drug costs until they reach the OOP limit that moves them into the catastrophic coverage phase. Extra Help beneficiaries do not have a coverage gap. Beginning in 2025, the coverage gap is set to be eliminated as part of the IRA^{1,13}
- Deductible:** The amount a beneficiary must pay each year before the Part D plan begins paying a share of the costs for covered medications. Full-benefit Extra Help beneficiaries do not have a deductible, whereas partial subsidy beneficiaries must pay a small deductible annually^{10,13}
- Federal poverty level (FPL):** The income standard for poverty that is updated annually by the US Department of Health and Human Services and is generally used as the basis for determining eligibility for certain government assistance programs¹²
- Full-subsidy-eligible individual:** An individual who is deemed eligible to receive Medicare Part D full-subsidy benefits by meeting income and resource requirements⁵
- Generic drug:** A pharmaceutical drug that has the same medical effect as the reference branded drug. Generic drugs are generally lower in cost than brand-name drugs¹³
- Low-Income Subsidy (LIS):** Financial assistance from the government to help pay for healthcare costs. An example would be Extra Help^{7,15}
- Out-of-pocket (OOP) limit:** An annual spending limit that, once met in any given year, qualifies the Part D beneficiary for catastrophic coverage (see definition)¹⁶
- Premium:** The amount a beneficiary pays to a drug plan each month for coverage¹³
- Supplemental Security Income:** A federal program that provides income assistance to people who are blind or disabled or who are aged 65 years and older with little or no income or resources¹⁶

Available resources for more information



Inflation Reduction Act of 2022

For information about the IRA, please see the *Inflation Reduction Act and Medicare* guide created by CMS available at cms.gov/inflation-reduction-act-and-medicare



Medicare

For information about Medicare, including Part D, Extra Help, and Medicare Savings Program, please see the *Medicare & You* guide. The guide, which is updated annually, is available at medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf



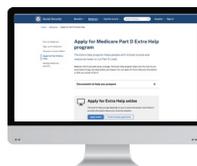
Medicare Part D plan

For guidance from CMS regarding a Part D plan, go to cmsnationaltrainingprogram.cms.gov



Medicare plan finder tool

Medicare provides an online plan finder tool that helps patients find available plans based on where they live, their Medicare coverage, and the drugs they take. Search results allow patients to compare plans by drug coverage information, plan ratings, copayment and coinsurance details, and available cobrands. The tool can be accessed at medicare.gov/find-a-plan/questions/home.aspx



Extra Help forms

To access the Extra Help application and instructions for completion, visit ssa.gov/benefits/medicare/prescriptionhelp/forms.html. Patients may also call Social Security at **1-800-772-1213** (TTY 1-800-325-0778) to apply or request an original paper application.



Extra Help income eligibility limits

For additional information on who should apply for Extra Help, read “Help with drug costs” at <https://www.medicare.gov/basics/costs/help/drug-costs>



Extra Help program

For additional information on the Extra Help program, read “Understanding the *Extra Help With Your Medicare Prescription Drug Plan*” at ssa.gov/pubs/EN-05-10508.pdf



Medicaid

For information about Medicaid services by state, visit medicaid.gov. For information on Medicaid eligibility, visit medicaid.gov/medicaid/eligibility/index.html



Medicare Prescription Payment Plan

For additional information about the Medicare Prescription Payment Plan, visit CMS at <https://www.cms.gov/inflation-reduction-act-and-medicare/part-d-improvements/medicare-prescription-payment-plan>

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