ONCOLYTICS TODAY

EMPOWERING THE MEDICALLY INTEGRATED ONCOLOGY PHARMACY PRACTICE | SPRING 2024

FILLING THE DIVERSITY GAP IN CANCER CARE

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NEW CMS FRAMEWORK FOR HEALTH EQUITY MAY HELP SOLVE THE PUZZLE PAGE 49

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PLUS: THE LATEST NEWS ON ONCOLOGY RESEARCH, RULES & DRUG APPROVALS

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Filling the Diversity Gap in Cancer Care

Racial inequity in healthcare, particularly in oncology, has been well-documented. Bringing equity to charitable copay assistance and better communication across diverse healthcare teams offer opportunities to improve the situation.

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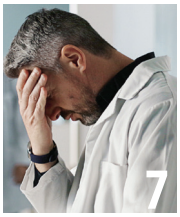
FEATURED ARTICLES



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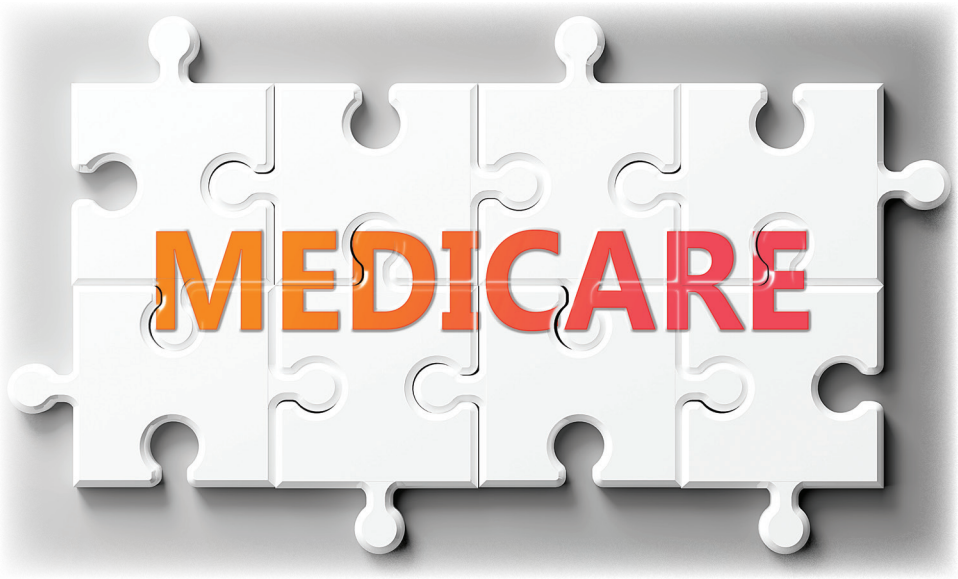
DECIPHERING THE 2024 MEDICARE RULES UNDER THE INFLATION REDUCTION ACT

By Joanna Fawzy Doran, Esq.



In the arena of health insurance in the United States, things are always changing.


Joanna Fawzy Doran

Those changes may be about what type of care is covered, who is eligible for that care or how much patients have to pay out-of-pocket for that care.

Staying on top of those changes can feel challenging for patients, caregivers and other members of the healthcare community.

Navigating changes to Medicare coverage is no different. Medicare is a federal health insurance program that covers more than 65 million Americans. Each year, there are changes to Medicare costs, and people who have Medicare coverage have to make decisions about how they want to access that coverage.

In addition to these annual changes, in April 2022, Congress passed the Inflation Reduction Act (IRA). This bill included a wide array of provisions, including specific changes to Medicare Part D that may benefit the cancer community.

PARTS OF MEDICARE

Medicare coverage is broken down into four parts:

▲ **Part A of Medicare** is hospital insurance. It includes coverage for care received in the hospital and hospice care. It also provides limited coverage for skilled nursing facilities, nursing homes, and home healthcare.

▲ **Part B of Medicare** is medical insurance. It includes coverage for items such as outpatient services, preventive care, labs, mental healthcare, ambulances and durable medical equipment. It also covers intravenous chemotherapy.

Part A and Part B are referred to as Original Medicare, because that is what was included in the original Medicare and Medicaid Act of 1965.

Over time, Congress added:

▲ **Part D of Medicare**, which covers prescription drugs. Medicare Part D plans are separate plans sold by Medicare-approved private insurance companies.

▲ **Part C of Medicare**, also referred to as Medicare-managed care plans or Medicare Advantage Plans, which provides an alternative to Original Medicare. Medicare Part C plans are separate managed care plans sold by Medicare-approved private insurance companies. However, Part C plans include the benefits and services covered under Parts A and B and usually Part D.

2024 COSTS OF MEDICARE

▲ **Part A:** For individuals who have paid into Medicare while working over their lifetime, the monthly premium is free. If individuals haven't paid into the system or haven't done so long enough, it is still possible to get Medicare Part A coverage, but they will have to pay a monthly premium. In 2024, the Part A monthly premium can be up to $505. There is also a deductible per benefit period of $1,632. Individuals may also be responsible for paying co-payments based on the number of days spent in a hospital.

▲ **Part B:** In 2024, the Part B monthly premium is generally $174.70 (individuals with higher incomes pay higher premiums) and there is a deductible of $240 per year. The co-insurance for Part B coverage is 80/20. This means that once an individual has paid their deductible, Medicare will cover 80% of their healthcare costs under Part B, and the patient will be responsible for 20%. With Part B coverage, there is no out-of-pocket maximum.

▲ **Part C:** Premiums for Part C plans are usually at least the same as Part B or more, but vary based on the plan chosen. The deductibles, co-insurance and out-of-pocket maximums also will depend on your plan. However, the most that a Part C plan out-of-pocket

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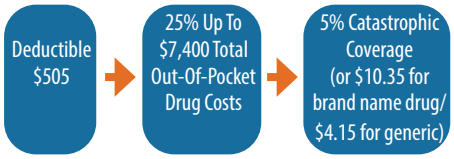
maximum may be for services covered by Part B in 2024, is $8,850.

▲ **Part D:** Part D premiums vary by plan and are higher for those with higher-income levels. Prior to the IRA, a standard Part D plan was structured with a maximum deductible of $505 (in 2023). After paying the deductible, an individual would pay 25% of their drug costs. When the total out-of-pocket drug costs reached $7,400, then the patient would enter catastrophic coverage. Then, patients would pay the greater of 5% of the drug costs, or $10.35 for brand-name drugs ($4.15 for generics) for the remainder of the year. There was no out-of-pocket maximum for Part D prescription drug costs.

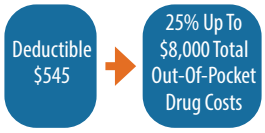
PATIENT MEDICARE DRUG COSTS IN 2023



IRA CHANGES TO MEDICARE

▲ **2024:** This year, the structure of the standard Part D drug benefit changes.[1] In 2024, the maximum deductible for a Part D plan is $545. After paying the deductible, patients pay 25% of their drug costs, until their total out-of-pocket drug costs reach $8,000. On its face, you would think that the math would then look like this:

PATIENT MEDICARE DRUG COSTS IN 2024



However, the devil is in the details. The total out-of-pocket drug costs include what patients have actually spent out-of-pocket, plus the value of the 70% manufacturer price discount on brand-name drugs in the former coverage gap.

This means that individuals who take only brand-name drugs in 2024, will reach the $8,000 catastrophic coverage threshold by spending a total of $3,333 out-of-pocket. And, they will then have no additional costs for their Part D prescriptions for the rest of the year.

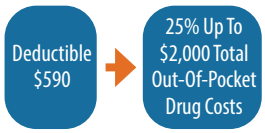
TABLE 1: PART D COSTS FOR A $12,000 BRAND-NAME DRUG IN 2024

Deductible $0-545	$545
Initial Coverage Period (ICP) $545-$5,030	25% of cost of covered drugs = $1,121.25 **How you get there:** •$545 up to $5,030 in total drug costs (what a patient and their plan pays together) = $4,485 • $4,485 * 25% = $1,121.25
Former Coverage Gap (FCP) $5,030 - $8,000	25% of cost of covered drugs = $1,666.75 **How you get there:** • $8,000 catastrophic threshold - $545 deductible already paid - $1,121.25 ICP amount already paid = $6,333.75 left to pay (95% of total drug costs) However, the total amount a patient gets credit for spending during the former coverage gap = 95% of total drug costs. This includes the 25% actually paid by patient and a 70% drug manufacturer's discount on brand-name drugs. The 5% paid by the plan is not included. • 100% of the costs during this period are $6,667.11 • $6,667.11 * 25% = $1,666.75
Catastrophic Coverage	$0
Total amount a patient actually pays out-of-pocket if they only take brand-name drugs	$3,333 **How you get there:** • $545 deductible + $1,121.25 ICP + $1667.75 FCP = $3,333

The brand-name discounts and the math involved are causing a lot of confusion. So, let's look at an example of a patient who is taking an oral chemotherapy brand-name drug covered under Part D that costs $12,000. **See Table1 for a breakdown of what the patient will pay.**

▲ **2025:** In 2025, the structure for patient out-of-pocket drug costs will be simplified considerably. Patients will pay a deductible of $590 and then will pay 25% of their drug costs until they have spent a total of $2,000 out-of-pocket. They will then have no additional costs for their Part D prescriptions for the rest of the year.

PATIENT MEDICARE DRUG COSTS IN 2025



It is important to note that under the IRA, the $2,000 cap on drug costs will be indexed to rise each year after 2025, at the rate of growth in per capita Part D costs.

Also starting in 2025, individuals will have the option of spreading out their out-of-pocket prescription drug costs over the year, rather than face high out-of-pocket costs in any given month.

For example, if a patient takes an expensive brand-name drug in January, instead of paying the full $2,000 out-of-pocket

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cost in January, they can make payments throughout the year.

We are still waiting on a final rule from the Centers for Medicare & Medicaid Services to explain the details of how this process will work for patients.

EDUCATING PATIENTS ABOUT MEDICARE CHANGES

Key stakeholders in the continuum of a patient's care are uniquely positioned to help patients understand how the IRA has changed their Part D coverage and what they will need to pay for their prescription drugs. That includes members of healthcare teams, pharmacists, community health workers and patient advocates. This information can be shared with patients throughout the continuum of a patient's care.

To learn more about, Medicare and cancer, scan the QR code above.

Although the Part D changes in the IRA will substantially decrease the maximum of what patients have to pay out-of-pocket for their prescription drugs — particularly for oral chemotherapy brand-name drugs — many patients will still find it financially challenging to afford $3,333, or even $2,000.

EDUCATING PATIENTS ABOUT FINANCIAL HELP

It is also important for stakeholders to ensure that patients are aware of other programs and resources that can help offset those expenses.

For patients who are struggling to pay their Medicare out-of-pocket costs for prescriptions drugs, they may be eligible for the **Extra Help Program**. This program is also referred to as the low-income subsidy or LIS. It helps people with limited income and resources pay prescription drug costs, such as premiums, deductibles and co-insurance.

If patients don't qualify for Extra Help, some states also have state pharmaceutical assistance programs and there are private organizations that provide financial assistance to offset the cost of prescriptions drugs.

Helping patients successfully understand and navigate the changes to Medicare will not only improve the chances that patients get access to the care that they need, but also mitigate the financial burden of a cancer diagnosis.

▲ **Joanna Fawzy Doran**, Esq., is a cancer rights attorney and Chief Executive Officer of Triage Cancer in Chicago, Illinois.

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