

## Frequently Asked Questions about Medicare Insulin Cost-Sharing Changes in the Prescription Drug Law (Updated January 2023)

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

Under a Medicare Part D prescription drug plan, if an insulin is a covered insulin product, the \$35 cap for a month's supply for each insulin product applies, as of 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 cost-sharing 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 covered insulin products.

**3. Does the \$35 cap on covered insulin products 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, as of 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 cost sharing 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 covered insulin product counts toward TrOOP.

**6. Why don't the plans in Medicare Plan Finder reflect the insulin provisions in the prescription drug law?**

While the insulin provision in the prescription drug law places a limit on the enrollee cost sharing for a one month's supply of each covered insulin drug, it doesn't change 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, before the Inflation Reduction Act was signed into law, meaning the 2023 plan bids don't account for the new \$35 cap on covered insulin drugs.

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

The insulin cost-sharing amounts will be updated as part of the next annual bid cycle in to display the updated information for the 2024 plan year in the fall of 2023. Until this time, for individuals who include insulin in their drug list in Plan Finder, targeted messaging will help educate and guide them on the insulin benefit.

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

Since the annual Medicare Open Enrollment period ended on December 7, 2022, we have been helping people who use insulin who experience any issues or concerns, using our existing processes to grant a Special Enrollment Period (SEP) for Exceptional Circumstances. This SEP allows an individual who uses a covered insulin product to add, drop, or change their Part D coverage during the period that began on December 8th, 2022 and ends 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 their old plan to their new one.

**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, beginning 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, cost sharing through Medicare Part B cannot be more than \$35 for a month's supply. If you have Medicare Supplement Insurance (Medigap) that pays Medicare Part B coinsurance/copayments, that plan should cover the \$35 (or less) cost for insulin 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.

**11. Does the \$35 cost-sharing cap apply to disposable "patch" pumps and/or the insulin that goes into the pump?**

People with Medicare with Part D coverage who use a disposable insulin patch pump (i.e., a small wireless, tubeless pump worn directly on the body; for example, Insulet Omnipod) will continue to get their insulin through their Part D prescription drug plan benefit. For these people, the \$35 cost sharing cap for a month's supply of each covered insulin product (i.e. the insulin that goes into their pump) applies as of January 1, 2023. If your Part D plan covers your disposable insulin patch pump, the pump is considered an insulin supply. Because it isn't an insulin product, the pump is not subject to the \$35 cap on cost sharing and might cost more than \$35, and the plan deductible may apply. Also, because the disposable pump is a supply (and not a drug), people with Medicare cannot add the pump to a drug list in Medicare Plan Finder.

**12. Are other types of prescription drugs that I take to manage diabetes (e.g., Trulicity, Bydureon BCise, Byetta, Mounjaro, Ozempic, Symlin, Victoza) included in the monthly \$35 cost-sharing cap?**

Prescription drugs, including injectable drugs, that aren't insulin products or combination products that combine an insulin product with another drug (e.g. a diabetes management drug), aren't covered by the prescription drug law's cost-sharing cap of \$35 for a month's supply of a covered insulin product.

**13. What amounts paid for insulin and recommended preventive vaccines will count toward the Medicare 2023 Part D deductible?**

If someone with Medicare fills a prescription for a Part D covered insulin product before meeting the Part D deductible, their cost-sharing amount (up to \$35 maximum for a month's supply) will be applied to their deductible. Under the prescription drug law, a person with Medicare isn't required to meet the Part D deductible before Medicare will cover a Part D covered insulin product or recommended preventive vaccine, and recommended preventive vaccines have zero cost sharing.

In addition, for plan year 2023, under the prescription drug law, the amount Medicare pays for a covered insulin product or recommended preventive vaccine that would otherwise have been paid by the Medicare enrollee (i.e., if the law's cost sharing caps did not apply) will also count toward the person's deductible and total True Out-of-Pocket (TrOOP) costs, and will count toward the person's progression into the catastrophic phase of the Part D benefit.

**14. How can someone with Medicare who takes insulin estimate when they'll move through the coverage phases in Medicare Part D?**

In the Medicare Plan Finder, once someone adds their insulin products to their drug list and compares plans, the coverage phase details shown are accurate estimates for moving through the phases. The full cost amount of insulin (more than the \$35/month's supply cap) will be counted toward out-of-pocket costs.

**15. If a person with Medicare pays more than \$35 for a month's supply of a covered insulin product at the pharmacy using their Medicare Part D coverage between January 1, 2023 and March 31, 2023, will they get reimbursed for the amount that exceeds \$35?**

For any month's supply of Part D-covered insulin products dispensed between January 1, 2023 and March 31, 2023, a Medicare Part D prescription drug plan must reimburse the person with Medicare within 30 calendar days for any cost-sharing amount the person is charged that is more than \$35 for each month's supply of a covered Part D insulin product. Part D plans have until March 31, 2023 to update their systems to make sure enrollees are charged the correct amount. If the enrollee hasn't received reimbursement within 30 days, they should contact their plan.