

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

1. Is all insulin covered at \$35 for a month's supply, or just certain insulin products?

Under a Medicare Part D prescription drug plan, when an insulin is a covered insulin product, the \$35 cost-sharing cap for a month's supply for each insulin product applies. A covered insulin product is insulin that is included on a Part D sponsor's drug list (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.

Under Medicare Part B and Medicare Advantage, when insulin is delivered through a pump that is covered under the durable medical equipment benefit, cost sharing is capped at \$35 for a month's supply of insulin.

2. Does the \$35 cost-sharing cap for a month's supply of a covered insulin product apply across all phases of Part D drug coverage (including the coverage gap)?

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

3. Does the \$35 cost-sharing cap on for a month's supply of a covered insulin product apply to everyone with Part D, 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. People with Full Extra Help already have lower cost sharing for insulin, and will continue to pay the lower amounts.

4. How does the \$35 cap on cost-sharing for a month's supply of a covered insulin product apply if a person gets a 3-month supply of a covered insulin product?

For extended-day supplies (more than a one-month supply), cost sharing must not exceed \$70 for up to a two-month supply, or \$105 for up to a three-month supply—that is, \$35 for each month's supply of each covered insulin.

5. Does the \$35 insulin cap apply at both preferred and non-preferred pharmacies under a person's prescription drug plan?

Yes

6. Do insulin costs count toward True Out-of-Pocket (TrOOP) costs?

Yes, the \$35 (or less) cost sharing for a month's supply of each covered insulin product counts toward an individual's TrOOP.

7. Do the plans in Medicare Plan Finder reflect the insulin provisions in the prescription drug law?

While Medicare Plan Finder does not reflect the insulin provisions for 2023 plans, note that pricing for 2024 plans added to Medicare Plan Finder in the fall of 2023 will reflect the insulin provisions from the prescription drug law.

Regarding 2023 plans, people can call 1-800-MEDICARE (1-800-633-4227; TTY: 1-877-486-2048) or their plans directly to get additional information about the insulin benefit offered by their plan or other Part D plans as a result of the provisions in the prescription drug law.

8. Will the Medicare Plan Finder update the insulin cost-sharing amounts later in 2023?

In the fall of 2023, Medicare Plan Finder will show updated insulin cost-sharing amounts for the 2024 plan year. Until then, people who include insulin in their drug list in Plan Finder will continue to get targeted messaging to help educate and guide them on the insulin benefit.

9. Is there a Special Enrollment Period in 2023 because of this change in the prescription drug law?

People who use insulin who experience any issues may be eligible for a Special Enrollment Period (SEP) for Exceptional Circumstances. This SEP is available to individuals eligible for Medicare Part D who use a covered insulin product and would like to add, drop, or change their Part D coverage during the period that began on December 8th, 2022 and ends on December 31, 2023. An eligible person 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. To utilize this SEP, enrollees must call 1-800-MEDICARE so a customer service representative can process the enrollment.

10. Does the Medicare Part B deductible apply for insulin used through a pump? Will a Medigap supplemental plan cover those costs?

No, the Medicare Part B deductible does not apply for insulin used through a pump covered under the durable medical equipment benefit. Also cost-sharing through Medicare Part B cannot be more than \$35 for a month's supply of insulin. If a person has Medicare Supplement Insurance (Medigap) that pays Medicare Part B coinsurance/copayments, that plan should cover the \$35 (or less) cost for insulin.

11. Do deductibles for Medicare Advantage Plans apply to insulin used through a pump?

No, Medicare Advantage Plans do not apply a service category or plan level deductible for insulin used through a pump covered under the durable medical equipment benefit.

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

A plan can change its formulary for specific reasons during the year (for example, because of new drug developments or safety improvements). A 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
- Removing utilization management requirements

Medicare must approve most changes that a plan makes to the formulary. In general, a plan must notify a person at least 30 days before the cost or coverage of a drug they take changes. A 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.

13. 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 (like a small wireless, tubeless pump worn directly on the body) 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 (that is, the insulin that goes into their pump) applies. If their Part D plan covers their disposable insulin patch pump, the pump is considered a piece of equipment. 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 piece of equipment (and not a drug), people with Medicare cannot add the pump to a drug list in Medicare Plan Finder.

14. Does the \$35 monthly cap apply to other types of prescription drugs that an individual takes to manage diabetes (like Trulicity, Bydureon BCise, Byetta, Mounjaro, Ozempic, Symlin, Victoza)?

No. The new drug law's cost-sharing cap doesn't apply to prescription drugs, including injectable drugs, that are not insulin products or combination products that combine an insulin product with another drug (like a diabetes management drug).

15. How can a person with Medicare who takes insulin estimate when they'll move through the coverage phases in Medicare Part D?

In the Medicare Plan Finder, once a person 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-sharing amount for the insulin that shows on Plan Finder (that is, more than the \$35/month's cost-sharing cap that the person actually pays) will be counted toward out-of-pocket costs.

16. What amounts paid for insulin will count toward the Medicare 2023 Part D deductible?

If a person with Medicare fills a prescription for a Part D covered insulin product before meeting their 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.

Also, 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 (that is, 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.