

Understanding the Inflation Reduction Act (IRA) Prescription Drug Changes for Medicare Part D: Frequently Asked Questions

I. MEDICARE OVERVIEW

Q What is Medicare?

A Medicare is a government health insurance program that covers you if you are¹

- 65 years or older
- Under 65 years of age with certain disabilities
- With end-stage renal disease (ESRD)

Q What are the parts of Medicare and what do they help cover?

A Medicare health insurance includes Parts A, B, C, and D.²

Original Medicare includes Parts A and B

- Medicare Part A is your hospital insurance. Part A helps cover inpatient care in hospitals, skilled nursing facility care, hospice care, and home healthcare
- Medicare Part B is your medical insurance. Part B helps cover services from doctors and other healthcare providers (HCPs)

Medicare Part C is also known as Medicare Advantage

- Medicare Advantage is a medical benefit that offers a different option for your health and drug coverage. These plans include Part A, Part B, and usually Part D—all in one benefit

Medicare Part D is a pharmacy benefit that covers prescription drugs taken at home

- Part D coverage is not required and is offered if you are enrolled in Medicare. Insurance plans that offer Medicare drug coverage are run by private insurance companies that follow the rules set by Medicare

I. MEDICARE OVERVIEW (CONT'D)

Services covered by Medicare Part B	
Type of care covered	Example of care
Outpatient care	Doctor's visits
Home healthcare	Nursing care at home
Durable medical equipment	Wheelchairs, oxygen equipment
Preventative services	Screenings, vaccines, yearly wellness visits

Q What is the Medicare Part D Low-Income Subsidy (LIS)?

A LIS is a government program that helps pay for out-of-pocket (OOP) prescription drug coverage costs. If Medicare considers you to be a low-income patient, you may be eligible for LIS, also known as Extra Help. This program can help you pay for prescription drugs and may lower the costs of Medicare prescription drug coverage.³

II. THE INFLATION REDUCTION ACT (IRA)

Q What is the IRA?

A The IRA of 2022 includes changes to the Medicare prescription drug program. The goal for these changes is to improve benefits and lower your drug costs.⁴

Q Will the IRA change my OOP costs?

A As a Medicare Part D beneficiary, the IRA will affect your OOP costs. Starting in 2023, you will no longer have any cost sharing for vaccines.

Starting in 2024, you will no longer have to pay a 5% coinsurance after reaching the catastrophic coverage limit, and your OOP costs will be capped at \$3300.

Starting in 2025, your yearly OOP cost will be capped at \$2000. All medications processed through the Medicare Part D benefit will count towards your OOP maximum.^{6,7}

III. MEDICARE PRESCRIPTION PAYMENT PLAN (MPPP)

Q What is the MPPP?

A Starting in 2025, you will have the option to participate in the new MPPP. With MPPP, if you are enrolled in a Part D plan, such as Medicare or Medicare Advantage prescription drug coverage plan, you will have the option to pay OOP prescription drug costs in monthly payments over the year instead of paying the full OOP when filling the prescription.

If you sign up for MPPP, you will pay \$0 when filling a prescription for a covered Part D drug. Instead, you will be billed a set monthly amount by your insurance. Your total OOP costs for the year will not be more than \$2000.^{4,7}

Q Will the MPPP change my OOP costs?

A MPPP does not lower the amount of cost-sharing you owe for your medications. However, the program allows you to “smooth out” your costs through monthly payments over the course of a year. Starting in 2025, total OOP costs for the year will not be more than \$2000 if you are enrolled in the MPPP.^{4,7}

Q Is the MPPP separate from my Medicare Part D plan?

A Yes. Your participation in MPPP is not required. This means you will need to sign up with your Part D insurance plan to participate. The program is free to join, so there are no fees or interest charged under the program.⁴

Q How do I sign up for the MPPP?

A You can enroll in MPPP before the beginning of 2025 or any month during the year. Contact your Part D insurance plan to learn more about how to enroll in the program.⁸

Q What are the benefits of the MPPP?

A MPPP (also referred to as “smoothing”) spreads Part D drug costs over the year in monthly payments. Smoothing may be able to reduce the impact of high OOP drug costs, which often occur at the start of the benefit year (January 1st).^{6,9}

III. MEDICARE PRESCRIPTION PAYMENT PLAN (MPPP) (CONT'D)

Q Where can I find more information about Medicare Part D changes?

A For more information about Medicare Part D, visit <https://www.medicare.gov/drug-coverage-part-d>

Q Who can I contact for more information about helping me afford my GSK medications?

A GSK for You is a program committed to assisting eligible patients access our medications. We offer programs for patients who meet income and other eligibility requirements. Learn more about GSK for You by visiting www.gskforyou.com

This summary is based on GSK's current understanding of the requirements of the IRA as of [Month XX, 2024]. Users are advised to confer with advisors or payers for specific guidance as to how these provisions may apply. Please note that the law may change at any time without notice. GSK makes no warranties herein and no reliance should be placed on this analysis.

References:

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