

# PROVIDER BULLETIN

## PROVIDER INFORMATION



January 2, 2023

### **Inflation Reduction Act (IRA) of 2022**

The Inflation Reduction Act of 2022, signed into law on August 16, 2022, is set to lower the cost of prescription drugs for millions of Medicare beneficiaries. Under the new law, the U.S. government is now able to negotiate prices on the costliest prescription drugs, cap costs at \$2,000 per year for people on Medicare, limit the monthly cost of insulin to \$35/month for seniors, and extend subsidies for people buying their own health coverage through the Affordable Care Act. The law also provides free vaccines for seniors.

#### **Capped Insulin Product Cost Sharing**

According to the new law, formulary-covered insulin is capped at \$35/month for Medicare beneficiaries that have a Prescription Drug Plan (PDP) or a plan that includes Part D for 2023 and 2024. The IRA proposes additional future changes for 2025 not addressed at this time.

Beginning January 1, 2023, insulin products covered under Part D will be limited to a copay of \$35 for a month's supply. Beginning July 1, 2023, insulin products covered under Part B Durable Medical Equipment (DME) benefits will also be limited to a copay of \$35 for a month's supply. Starting in plan year 2023, covered insulin products will not be subject to plan deductibles.

Members must be enrolled in a Medicare Advantage or Cost plan with Part D coverage or a standalone Medicare Part D plan and have an active prescription for insulin to be eligible for \$35/month insulin.

The cost share is capped at \$35 per 31-day supply of each insulin medication. The cost share is not prorated for less than a one-month supply. The cost share is the plan's cost share if less than \$35 or \$35. CMS has confirmed that for extended-day supplies (i.e., 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 per insulin.

The Center for Medicare and Medicaid Services (CMS) has confirmed that the \$35 monthly cap applies to coverage exception/transition insulins. Insulin administered via a pump, when covered under Part D, will be included in the IRA cap effective January 1, 2023. Insulin administered via a pump, when covered under Part B, will be included in the IRA cap effective July 1, 2023. For a list of all insulins included in the formulary-covered drugs, refer to the Insulin List attachment or check the formulary at [Medicines \(myprime.com\)](https://www.medicines.myprime.com).

#### **Part D Vaccines**

Blue Cross and Blue Shield of Minnesota (Blue Cross) will begin offering \$0 Part D immunizations recommended by the Advisory Committee on Immunization Practices (ACIP) for its adult Medicare members. Members must be enrolled in a Medicare Advantage (MAPD) or Cost plans with Part D coverage on 1/1/2023.

Common Part D vaccines include Zoster (shingles), TDAP (tetanus, diphtheria, pertussis), Varicella (chicken pox), and Hepatitis B (for low-risk members).

Part D vaccines that *do not* meet criteria under the IRA include BCG Vaccine (Tuberculosis), Rotateq (Rotavirus) and Dengvaxia (Dengue). These will continue to be processed based on their formulary status. For complete coverage, check the formulary at [Medicines \(myprime.com\)](https://myprime.com).

Part D vaccines will continue to appear on Tier 3 at [Medicines \(myprime.com\)](https://myprime.com) for 2023, but will be covered with a \$0 copay and \$0 cost share regardless of diagnosis on the claim. Members receiving Part D vaccines at a clinic instead of a pharmacy must submit a Part D claim form to Prime for reimbursement.

### **Medicare products impacted**

- Medicare Advantage plans w/Rx: Core, Comfort, and Choice
- Platinum Blue Cost w/Rx: Core, Choice and Complete
- MedicareBlue Rx stand-alone PDP plans: Select, Standard and Premier
- Medicare Advantage Complete will continue to have insulin at \$0 through the deductible, initial coverage, and gap stages.
- Group Medicare Advantage (Employee Group Waiver Plans (EGWP))

### **Questions?**

If you have questions for a member enrolled in a Minnesota Health Care Programs (MHCP) plan, please contact provider services at **1-866-518-8448**. For all other questions, contact provider services at **(651) 662-5200** or **1-800-262-0820**.