

Recent Policy Changes Have Improved the Affordability of Prescription Drugs for Medicare Patients

The Inflation Reduction Act (IRA) and Its Impact on Medicare Out of Pocket (OOP) Costs

Key patient affordability measures currently in effect under the IRA as of August 2024^{1,2}

- ✓ No patient OOP cost for recommended preventative vaccines
- ✓ Insulin cost capped at \$35 per month
- ✓ Current OOP cap of \$3,300 to \$3,800
- ✓ Expanded access to the Extra Help/Low-Income Subsidy (LIS) program
- ✓ Elimination of the 5% coinsurance in the catastrophic phase

Medicare Part D benefit design changes slated for 2025^{1,3}

- ✓ \$2,000 limit on annual Part D OOP prescription costs
- ✓ The option to enroll in the Medicare Prescription Payment Plan, which allows Part D patients to "smooth" or spread out OOP prescription costs into even monthly payments rather than one lump sum

The annual cap on patient OOP drug costs combined with an option to smooth costs over the course of the year has the potential to be transformative for patient access to medications, including specialty medications

Prescription Drug Costs Are Now More Affordable for Medicare Part D Patients

Impact of the IRA Medicare Part D prescription drug cost redesign in 2024 and beyond

Scenario: A patient is prescribed a **branded drug** with an annual list price of **\$210,000***. This patient also has additional prescription medications.

2024

A maximum annual
**one-time payment of
\$3,300 to \$3,800²**
(equal to the OOP max)

2025

A maximum annual
one-time payment of \$2,000¹
(equal to the OOP max)



or monthly payments of \$167^{3†}
regardless of the number of prescriptions they are taking

*This scenario and drug price is for illustrative purposes only.

†The monthly payment of \$167 is only valid if the patient begins the payments in January (i.e., 12 fills in one year).



Scan for more information

Enrolling in the Medicare Prescription Payment Plan

- Any Part D patients may opt in to the program prior to the beginning of a plan year or in any month during a plan year³
- Part D patients will be able to opt in directly with their plan sponsor³

References: 1. US Department of Health and Human Services. Inflation Reduction Act Toolkit. Reviewed June 11, 2024. Accessed June 18, 2024. <https://www.hhs.gov/inflation-reduction-act/toolkit/index.html> 2. Centers for Medicare & Medicaid Services. Lower out-of-pocket drug costs in 2024 and 2025. <https://www.cms.gov/files/document/lower-out-pocket-drug-costs-2024-and-2025-article.pdf> Accessed June 18, 2024. 3. Centers for Medicare & Medicaid Services. Fact sheet: Medicare prescription payment plan final part one guidance. <https://www.cms.gov/files/document/fact-sheet-medicare-prescription-payment-plan-final-part-one-guidance.pdf> Published February 2024. Accessed June 18, 2024.



©2024 UCB, Inc., Smyrna, GA 30080. All rights reserved.
US-DA-2400489