Part D Senior Savings Model

Description

Diabetes is a deadly disease. It is the seventh leading cause of death in the U.S. It affects more than 34.2 million people or 10.5% of the U.S. population according to the CDC (Centers for Disease Control). Statistics show that 1 in 10 people have diabetes, and 1 out of every 3 people are pre-diabetic. Over 3.3 million Medicare recipients take one or more of the common forms of insulin. It is increasing at an alarming rate. For those beneficiaries who financially must weigh paying for their insulin or instead buying food, or paying their rent or bills, this might be a life or death situation. Unfortunately, their access to insulin can sometimes be a roadblock to the appropriate medical management of their condition. The consequences leading to serious complications, i.e. loss of vision, kidney failure or ulcers of the feet (many times requiring amputation), to heart attacks.



On March 11, 2020, the CMS (Centers for Medicare and Medicaid Services) announced the â??**Part D Senior Savings Model (â??the Modelâ?•**). This 5-year model will make it mandatory for participating plans to limit cost-sharing for a 30-day supply of insulin to a maximum of $35. As of January 1, 2021, Part D sponsors that participate in the Model will be able to offer Medicare beneficiaries prescription drug plans which provide supplemental benefits for insulin during the coverage gap stage of the Part D benefit. Those pharmaceutical manufacturers who participate will pay the discount (70%) in the coverage gap for all types of insulin that are included in the Model. This effort to reduce out-of-pocket drug costs for Medicare beneficiaries is a huge step in the right direction to lowering drug costs for seniors. It will give seniors additional choices of enhanced alternative Part D plan options which offer lower out-of-pocket costs for insulin.

For the first time, CMS is recommending that Part D plans offer fixed copays for seniors. This would eliminate the need for seniors of having to pay the 25 percent for drug costs in the coverage gap. Thus, Medicare beneficiaries who use insulin, will be able to reap the benefits in this fight to lower drug costs. More specifically, Medicare beneficiaries who take insulin and are enrolled in this type of plan will potentially save $446 in out-of-pocket costs. In other words, they would be paying 66 percent less for their insulin. This discount will be funded partly by the drug manufacturers during the 5 years that this model will be in effect.

The response by Part D plan sponsors for Part D Senior Savings Model for the 2021 plan year has been overwhelmingly positive. More than 1,750 Medicare Advantage plans and Medicare Part D

prescription drug plans with prescription drug coverage have voluntarily agreed to be part of this model. They will now be able to offer insulin at lower costs. As a result of this move, CMS hopes there will be availability to seniors for this plan model in all 50 states, including the District of Columbia, and Puerto Rico. This will be accomplished via a stand-alone prescription drug plan (PDP) or through a Medicare Advantage plan which includes prescription drugs. The roll out of the Part D Senior Savings Model will be during the annual open enrollment from October 15 through December 7, 2020, when beneficiaries can sign up.

For more information, please go online to CMS at https://innovation.cms.gov/innovation-models/part-d-savings-model.

Category

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