



# [2021] **MEDICARE PART D & YOUR PATIENTS**

Information About Medicare Part D  
for You & Your Patients With Diabetes



# The 4 Parts of Medicare<sup>1</sup>

Medicare covers many types of services, and your patients have options for how they can receive their coverage.



## Hospital Insurance

Helps pay for inpatient hospital stays, skilled nursing care facility, home health care, and hospice care.



## Medical Insurance

Helps cover medically necessary services like doctor visits and outpatient care. Part B also covers physician-administered drugs, diagnostic tests, some therapies, durable medical equipment such as insulin pumps and the insulin used, and some preventive services, including screening tests and vaccines.



## Medicare Advantage

Combines Parts A and B, and generally Part D. Medicare Advantage Plans are managed by Medicare-approved private insurance companies and must cover medically necessary services. However, these plans can charge different co-payments, deductibles, or coinsurance than original Medicare. A patient who signs up for a Medicare Advantage Plan may choose to add Part D prescription drug coverage. These are called **Medicare Advantage Prescription Drug (MA-PD)** plans.



## Medicare Prescription Drug Coverage

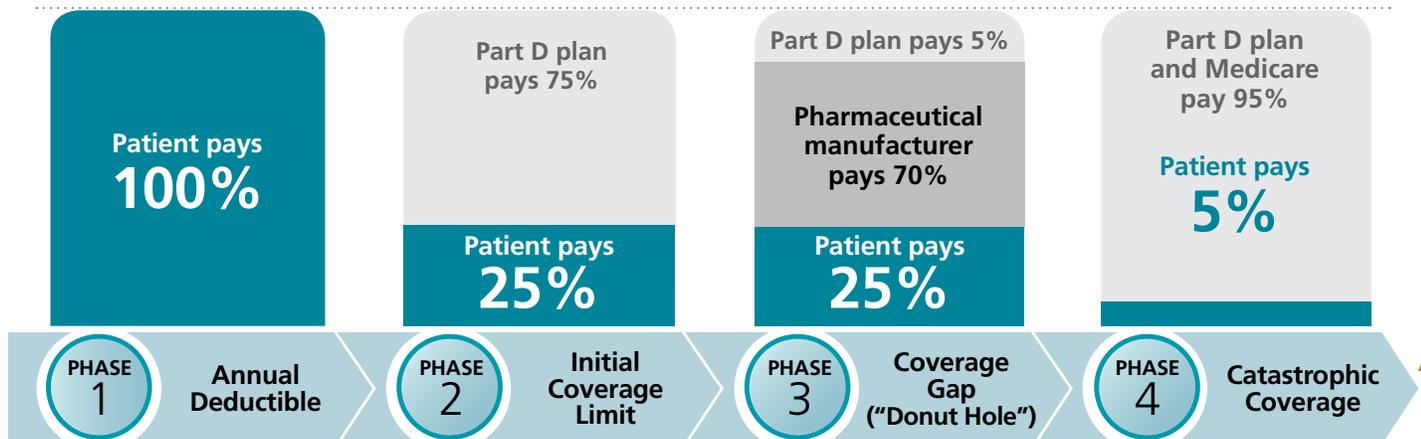
**Prescription Drug Plan (PDP)** that helps pay for outpatient prescription drugs. Extra Help, which is a component of Medicare Part D, may lower your patients' prescription drug costs if they qualify.

# Medicare Part D

## IMPORTANT REMINDERS

- The Centers for Medicare and Medicaid Services updates the Annual Standard Benefit Coverage every year and, although this is the standard benefit design established by CMS, no plan in the market is exactly like this
- Premiums, deductibles, covered medications, and co-pay amounts vary between plans
- Patients' exact costs will depend on the Part D plan they choose and the tier status of the prescription drugs they are taking
- During open enrollment, it is important to remind patients to carefully compare plans in their area when selecting coverage as formularies and patient cost sharing amounts can change each year
- Every January 1, your patients will automatically start back at Phase 1, no matter where they ended the previous calendar year

## [2021] Annual Standard Benefit Coverage<sup>2,3,a,b,c</sup>



Patients are responsible for [100%] of drug costs until they reach the annual deductible (maximum [\$445]).

The patient is responsible, on average, for [25%] of drug costs. The remaining [75%] is paid by the health plan. Once the patient and the plan together have spent [\$4130] on drug costs, the patient enters the Coverage Gap.

Once in the Coverage Gap, the patient is responsible for [25%] of the cost for branded medications, the drug manufacturer pays [70%], and the health plan pays the remaining [5%].<sup>d</sup>

Patients reach this phase when total drug costs equal [\$10,048.39]. At this point, patients will pay [\$9.20] for branded medications and [\$3.70] for generic medications, or [5%] of the drug cost, whichever is higher.<sup>3</sup>

<sup>a</sup>This does not apply to patients who currently receive Extra Help/LIS.

<sup>b</sup>Images represent costs for a branded product within each phase of Medicare coverage.

<sup>c</sup>Patients taking insulin should refer to information about the Part D Senior Savings Model at the bottom of page 8.

<sup>d</sup>The true out-of-pocket (TrOOP) cost to exit the coverage gap is equal to [\$6550] and includes what the patient pays, the 70% manufacturer discount, and payments made on behalf of the patient by certain third parties.<sup>2</sup>

# Medicare's Extra Help Program

If your patients have Medicare Part D—and they meet the low-income and asset criteria or have both Medicare and Medicaid—there is a government program that helps them pay for prescriptions and avoid the coverage gap.

## What Will Patients Pay at the Pharmacy?<sup>2,3</sup>



### Full Extra Help

- No monthly premium<sup>4</sup>
- No annual deductible
- No coverage gap
- No co-pay (\$0) if they live in a nursing home



### Partial Extra Help

- A sliding-scale premium based on income<sup>4</sup>
- An annual deductible of [\$92]
- No coverage gap
- Up to [15%] coinsurance until the out-of-pocket threshold is met

The lower costs in full Extra Help apply to patients at or below the federal poverty level (FPL).

## Do Your Patients Qualify?

Your patients are automatically enrolled in **full Extra Help** if they are<sup>5</sup>:

- **Dual eligible**—receiving both Medicare and Medicaid coverage  
\_\_\_\_\_ OR \_\_\_\_\_
- A member of a **Medicare Savings Program**  
\_\_\_\_\_ OR \_\_\_\_\_
- Receiving **Supplemental Security Income**

If your patients have Part D but are not automatically enrolled in full Extra Help, they might be eligible for **partial Extra Help** if their annual income is [ $\geq 135\%$ ] to [ $\leq 150\%$ ] of the FPL, and if they have limited resources.<sup>6</sup> Resources may include things like bank accounts and stocks, but do not include a car or house.<sup>7</sup>

Many individuals who are eligible for Extra Help are NOT enrolled; it is important to find out if your patients qualify for assistance.

# Examples of Patients With Diabetes Enrolled in Extra Help on Medicare Part D<sup>a</sup>



Let's take a look at someone who got help paying for her insulin through the Medicare **full Extra Help** program.

**Bonnie** is a 75-year-old woman who lives in Pennsylvania. She uses basal and bolus insulin to help control her blood sugar levels and Bonnie's medications are covered on her Medicare Part D plan.

Bonnie is enrolled in Medicare and has an income level [ $\leq$ \$19,140] and resources [ $<$ \$13,110], making her eligible for Extra Help. Because her income is less than or equal to the Federal Poverty Level for individuals, she will pay [\$4.00] for each of her medications.

**Bonnie pays no Part D deductible, no premium, no coverage gap costs, and [\$4.00] for each of her medications.**



Here's an example of someone who qualifies for both Medicare and Medicaid.

**Edward** is a 61-year-old man from New Mexico who is currently covered under Medicaid. Although he is not 65 years old, Edward is eligible to enroll in Medicare because he is permanently disabled. He has been prescribed various branded and generic medications for his permanent disability.

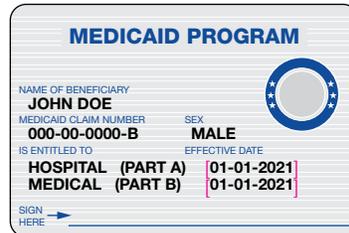
Because Edward is covered under both Medicare and Medicaid, he is considered to be dual eligible and is automatically enrolled in Extra Help.

**Edward pays no Part D deductible, no premium, no coverage gap costs, [\$4.00] for each of his branded medications, and [\$1.30] for each of his generic medications.**

<sup>a</sup>Models and examples are for illustrative purposes only.

# How to Identify Your Extra Help Eligible Patients

Below are examples of Medicare and Medicaid cards. If your patients are aged 65 years or older and are on Medicaid, they are considered **dual eligible** and automatically receive full Extra Help benefits.<sup>5</sup> If you suspect that some of your patients have low incomes, ask them if they have ever heard of Extra Help. If not, encourage them to apply.



The appearance of Medicare and Medicaid cards may vary by state and plan.

Ask your Part D patients how much they pay for their prescriptions at the pharmacy. If their response is near **[\$9.20]**, they may already be receiving Extra Help.

## Important Terms for Your Patients to Know

**Coinsurance:** A percentage of the cost of each medical service or prescription, instead of a fixed co-pay amount. Some patients' plans require percentage-based coinsurance rather than a flat fee.

**Co-pay:** The amount of money your patients have to pay out of pocket each time they receive medical care or buy prescription medications.

**Coverage gap:** Also referred to as the "donut hole." During this phase of coverage, your patients may have to pay more for their prescriptions until their costs reach the next coverage phase. This gap is explained in greater detail on page 4.

**Deductible:** The amount of money your patients have to pay each year before their health insurance kicks in.

**Formulary:** A list of medications covered by your patients' prescription drug insurance.

**Premium:** The amount of money your patients pay their health insurance company each month. If they are on Medicare, this amount is deducted from their Social Security.

# Where Can Your Patients Go for More Information?

## Enroll in Medicare Part D

- If new to Medicare, they can enroll in a Part D insurance plan beginning 3 months before and continuing through 3 months after the month of their 65th birthday, or during the annual enrollment period (mid-October to early December)<sup>1</sup>
- If they receive Extra Help, they may be able to make changes to their coverage outside of the open enrollment period<sup>1</sup>
- To find a plan in their area, patients can:



Visit  
[www.medicare.gov/  
find-a-plan](http://www.medicare.gov/find-a-plan)



Call Medicare at  
**1-800-633-4227**

## For your Medicare Part D Beneficiaries Having Trouble Affording their Medicines:



Apply for **Extra Help**



Visit <https://www.medicare.gov/pharmaceutical-assistance-program/#state-programs> to learn more about the assistance programs in your state



Your patient can visit <https://www.NovoCare.com> to see if they qualify for the Novo Nordisk Patient Assistance Program

**CMS has launched the Part D Senior Savings Model for calendar year 2021. Under the program, participating plans may lower beneficiaries' out-of-pocket costs for certain types of insulin to a maximum of \$35 copay per 30-days' supply in the deductible, initial coverage, and coverage gap phases of the Part D benefit. Part D beneficiaries should refer to the Medicare Plan Finder on [Medicare.gov](http://Medicare.gov) during Open Enrollment for more information.**

**References:** **1.** Centers for Medicare and Medicaid Services. Medicare and You 2020. CMS product no. 10050. <https://www.medicare.gov/pubs/pdf/10050-medicare-and-you.pdf>. Accessed August 11, 2020. **2.** 2021 Medicare Part D outlook. Q1Medicare.com website. <https://q1medicare.com/PartD-The-2021-Medicare-Part-D-Outlook.php>. Accessed August 11, 2020. **3.** Centers for Medicare and Medicaid Services. Announcement of Calendar Year (CY) 2021 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies. <https://www.cms.gov/files/document/2021-announcement.pdf>. Accessed August 11, 2020. **4.** Part D LIS/Extra Help eligibility and coverage chart. National Council on Aging website. <https://www.ncoa.org/resources/part-d-lis-extra-help-eligibility-and-coverage-chart/>. Accessed August 11, 2020. **5.** NCOA. Medicare Low Income Subsidy: Get Extra Help Paying for Part D. <https://www.ncoa.org/economic-security/benefits/prescriptions/lis-extrahelp/>. Accessed August 11, 2020. **6.** 2020 Federal Poverty Level Guidelines (FPL): 2020 LIS Qualifications and Benefits. Q1Medicare.com website. [https://q1medicare.com/q1group/MedicareAdvantagePartD/Blog.php?blog=2020-Federal-Poverty-Level-Guidelines--FPL--2020-LIS-Qualifications-and-Benefits&blog\\_id=812&category\\_id=8](https://q1medicare.com/q1group/MedicareAdvantagePartD/Blog.php?blog=2020-Federal-Poverty-Level-Guidelines--FPL--2020-LIS-Qualifications-and-Benefits&blog_id=812&category_id=8). Accessed August 11, 2020. **7.** Centers for Medicare and Medicaid Services. Lower prescription costs. Medicare.gov website. <https://www.medicare.gov/your-medicare-costs/get-help-paying-costs/lower-prescription-costs>. Accessed August 11, 2020.