

Medicare Part D and HIV/AIDS: What a Clinician May Want to Know

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Medicare and HIV/AIDS

- Approximately 60,000-80,000 Medicare beneficiaries with HIV/AIDS
 - Qualify primarily through being on Social Security Disability Income (SSDI) for 2+ years
 - Currently no prescription benefit
- 70-85% also qualify for Medicaid
 - ‘Dually eligible’ or ‘dual eligibles’
 - Approximately 50,000-60,000 individuals
 - Medicaid currently provides prescription drug coverage

Medicare Modernization Act (MMA)

- Adds a prescription drug benefit to Medicare, known as Medicare Part D
 - Benefit starts January 1, 2006
 - Most Medicare beneficiaries must elect the benefit and choose a plan
 - Dual eligible beneficiaries will be automatically enrolled in Medicare Part D because prescription drug coverage will switch from Medicaid to Medicare January 1
 - Plan formularies must include all antiretrovirals

Basic Plan: Beneficiary Cost

- Monthly premium (around \$32.20 in 2006)
- \$250 deductible
- 25% coinsurance from \$250 to \$2,250*
- 100% of drug costs from \$2,251 to \$5,100
- Catastrophic coverage: co-pay of 5% or \$2/\$5 (whichever is greater) after total drug costs reached \$5,100 and beneficiary has paid \$3,600 in out-of-pocket costs

*Coinsurance is a term used in Medicare Part D that refers to the beneficiary's contribution toward prescription drug costs until the catastrophic coverage level has been reached

Low-Income Subsidies

- Most Medicare beneficiaries with HIV/AIDS will qualify for some type of low-income subsidy
- Dual eligibles, Medicare beneficiaries on Supplemental Security Income (SSI) or in a Medicare Savings Program (QMB, SLMB, QI) will automatically be eligible
- Beneficiaries who aren't included in the group above but meet income and asset criteria need to apply to Social Security or Medicaid to qualify for a subsidy
- Subsidy counts toward out-of-pocket costs and reaching catastrophic coverage level

Case Study: Jane Matthews

- On SSDI, Medicare and Medicaid (dual eligible)
- SSDI benefit \$780/month (less than 100% FPL)
- Antiretroviral regimen is efavirenz and FTC/TDF
- Drugs cost \$1,300 per month
- Jane pays \$6 in co-pays per month for two scripts (income < 100% FPL so \$3 brand name co-pay applies) for three months
- By 4th month, total drug costs of \$5,200 exceeds \$5,100 catastrophic limit
- No cost to Jane after that
- Jane pays \$18 for the year [3 months of \$6 co-pay]

Case Study: Jason Smith

- On SSDI, Medicare and small private disability insurance benefit
- Income \$1,100 per month (138% FPL)
- Same drug regimen and costs
- Jason pays:
 - About \$8 per month in premiums (75% subsidy of \$32.20)
 - Month 1: \$50 deductible plus \$187.50 (15% co-insurance of \$1,250 balance)
 - Month 2: \$195 coinsurance (15% coinsurance of \$1,300)
 - Month 3: \$195 coinsurance (total drug costs \$3,900)
 - Month 4: \$180 coinsurance (on \$1200 balance of \$5100 total drug cost limit for catastrophic coverage level)
 - Months 5-12: \$10 per month (\$5 brand name co-pay on two scripts)
- Jason pays \$983.00 for the year [\$96 in premiums, \$807 in deductible and co-insurance, \$80 in co-pays]

Case Study: Peter Jones

- 65 years old, HIV positive, aged into Medicare
- Income \$1,600 per month (200% FPL)
- Same drug regimen and costs
- Peter pays:
 - \$32.20 per month in premiums
 - Month 1: \$250 deductible plus \$262 (25% coinsurance) towards \$1050 balance
 - Month 2: \$237 coinsurance (25% of \$950 balance to reach \$2250 co-insurance limit) plus \$350 (balance of \$1300 pharmacy cost)
 - Month 3: \$1,300 prescription cost (100%) [Peter has now paid \$2,399 out-of-pocket towards his drugs]
 - Month 4: \$1,201 prescription cost (100% coinsurance for a total of \$3,600 in out-of-pocket costs). Total drug costs are also above the \$5,100 limit so the catastrophic coverage level has been reached.
 - Months 5-12: \$65 per month (5% co-pay)
- Peter pays \$4,506.40 for the year [\$386.40 in premiums, \$3600 out-of-pocket and \$520 in co-pays]

Further Help With Costs

- AIDS Drug Assistance Programs (ADAP), in accordance with State program policy, can pay:
 - Premiums
 - Deductible
 - Coinsurance (15%, 25% and 100%)
 - Co-pays
- ADAP contributions do not count toward the \$3,600 in out-of-pocket costs needed to reach the catastrophic coverage level

Provider Role

➤ June, 2005

- Dual eligibles will get letters from Medicare telling them they will be auto-enrolled in Medicare Part D
- Beneficiaries with low incomes may get letters from Social Security about applying for low income subsidies

➤ You can:

- Encourage Medicare patients to apply for subsidies
- Tell dual eligibles to hold onto letters for their records

Provider Role

➤ October, 2005

- “Medicare and You” sent to all beneficiaries with plan information
- Dual eligibles will get letters notifying them of the plan into which they are automatically enrolled

➤ You can:

- Encourage Medicare beneficiaries to enroll
- Tell dual eligibles that they can choose a different plan
- Refer patients to www.Medicare.gov or 1-800-Medicare

Provider Role

➤ January 1, 2006

- Dual eligible beneficiaries will receive drugs through Medicare plan

➤ You can:

- Prescribe extra antiretroviral medication to “bridge” transition period so that treatment regimen is uninterrupted
- Ask about access to medication