

Minimizing Affordability Challenges and Beneficiary Confusion

Considerations for Implementation of and Outreach Around Part D Benefit Redesign

The Inflation Reduction Act will usher in the most significant changes in Medicare Part D since the program was implemented in 2006. Specifically, Medicare beneficiaries enrolled in Part D plans will pay no more than \$2,000 in drug costs starting in 2025 and may opt to distribute out-of-pocket (OOP) costs more evenly across the year as opposed to incurring a one-time high cost. Part D beneficiaries may enroll in the Medicare Prescription Payment Plan (MPPP), a program in which participants make a monthly payment for the overall cost of a one-time OOP expense up to the OOP cap. The new benefit holds significant promise for prospective participants, especially those prescribed high-cost specialty medications, as they will have the ability to enhance affordability and better manage and predict their OOP costs for prescription drugs.

Despite the positive benefits of the MPPP, the details around participant enrollment, monthly billing, and other program features are likely to be confusing for not only those participating in the new benefits but those deciding whether to participate in the program as well. Therefore, it will be critically important for the Centers for Medicare & Medicaid Services (CMS) to deploy an effective education and outreach effort for Part D beneficiaries and other important stakeholders (eg, caregivers, pharmacists, prescribers, and counselors educating beneficiaries) on the new benefit and to require Part D plans to clearly outline enrollment options in plan materials. CMS released guidance on the program in two parts: Part 1 (released in 2023 and finalized in 2024) proposes the key components of the program while Part 2 (released February 2024) focuses on the approach to educating beneficiaries on this new program. Following the release of Part 2 of the guidance, the MAPRx Coalition is recommending critical considerations in this issue brief, informed by conversations with our members and State Health Insurance Assistance Program (SHIP) counselors, for beneficiary education around this new benefit.

KEY FINALIZED PROVISIONS FROM PART 1 GUIDANCE



Participation in the new program is voluntary; therefore, prospective participants must opt into the program.



Program calculations will apply to all OOP Part D costs incurred, including those in the deductible phase.



Prospective enrollees may enroll in the MPPP prior to the beginning of the plan year or in any month during the plan year, including during the annual, initial, and special enrollment periods.



CMS will not offer prospective participants an option to enroll at the point of sale (POS) at the pharmacy in 2025. Without a POS option, beneficiaries interested in enrolling will have to leave the pharmacy without their prescription in order to enroll.



CMS also will require Part D sponsors to develop a mechanism to notify a pharmacy when a Part D enrollee would likely benefit, and CMS set the notification threshold at \$600 for a single prescription.

KEY PROPOSED PROVISIONS FROM PART 2 GUIDANCE



Limited information on CMS' effort to educate Part D beneficiaries on the new program, especially the agency's national outreach campaign and education for key stakeholders such as patients, healthcare professionals, SHIP counselors, etc.



Required updates to Part D plan marketing materials, including the Evidence of Coverage, Annual Notice of Change, Explanation of Benefits, membership ID card mailing packages, and Part D plan websites.



Required process for Part D plans to conduct targeted outreach to beneficiaries likely to benefit from the program before and during the plan year.



We'd like a point of service option in 2025 just for simplicity's sake, because they'll be at the pharmaceutical counter... I think there needs to be a real effort to make it as simple, easy, and accessible as possible. Whatever those venues are for the Medicare beneficiary, they need to be the focus of this and figuring out what the best methods are for them to access them.



While the MPPP will help patients manage costs on a monthly basis, specific aspects may be confusing to this population, especially given the complex calculations, various enrollment options, and limited opt-in benefits within the program. Given this potential confusion, the educational outreach from Medicare is a critical factor in successfully enrolling Part D beneficiaries into the program. Unfortunately, Part 2 of the guidance offered a dearth of specific information as to how the agency plans to educate prospective participants. Given the lack of information provided by the agency, this issue brief seeks to outline clear and actionable steps for properly educating beneficiaries on this program.

To help gather insights around effective beneficiary education, MAPRx collated feedback from coalition members and also convened a focus group session with SHIP counselors, who are on the front line in educating Part D beneficiaries about Medicare requirements, Part D plan options, and any other questions related to the benefit. SHIP counselors are uniquely positioned to offer insights and considerations for CMS' educational outreach as they help current and prospective Part D beneficiaries navigate the initial enrollment period, review plan options, and answer any other questions related to Part D benefits, all in an unbiased manner. During the convening of the focus group(s), the SHIP counselors offered several observations of the MPPP, from the naming convention to how communications should stand out.



I actually like the term 'budgeting your prescription cost,' because that's what they're doing; they're setting a budget for month to month for their prescription cost.



KEY INSIGHTS FROM COALITION MEMBERS AND THE FOCUS GROUP

MAPRx coalition members and the interviewed SHIP counselors offered robust feedback and insights on the educational outreach of MPPP:



Naming Convention of MPPP: Proposed naming of the program may sound too similar to a debt or payment plan that a patient must pay to a hospital or health system. Other counselors expressed concern that the MPPP naming convention may lead to fraud, with bad actors taking advantage of patients without a more clearly defined name.



Point-of-Sale (POS) Enrollment Option: It will be critically important to have a POS enrollment option in order to make this benefit as easy and accessible as possible.



Beneficiary Education on New Program: CMS should ensure that most of the communications come from official Medicare channels in order to stand out and not get lost like other pieces from Medicare. Furthermore, the Medicare & You handbook and other materials must be clear about this new benefit.



Targeted Beneficiary Outreach: CMS threshold of \$600 established in final Part 1 guidance will be helpful, but as patients generally do not listen to advertising campaigns, targeting pharmacies will be the key.



Key Lessons From Limited Income Newly Eligible Transition Program: The Limited Income Newly Eligible Transition (LI-NET) program offers some lessons learned as a proxy for the MPPP. Specifically, most pharmacies had limited knowledge about the program when it launched, leaving SHIP counselors to conduct most of the education then and today, CMS must focus education on pharmacies.



I think we can just see that the complexity that already CMS is driving toward by using the term (MPPP), and Medicare beneficiaries are not going to understand what that term means.



EDUCATIONAL OUTREACH CHECKLIST

Based on the findings, MAPRx recommends these essential elements to guide CMS' education and outreach:

POS Enrollment Option

- ✓ Offer a POS enrollment option for prospective enrollees, specifically conducting the targeted outreach via pharmacies at the POS.

EDUCATIONAL OUTREACH CHECKLIST (CONT.)

Naming Convention for Program

- ✓ Shift nomenclature from MPPP to something closer to a “budgeting” benefit, given that this name may resonate more with beneficiary populations.

Educating Prospective Program Participants

- ✓ Require Part D plans to offer robust educational resources and highlight them prominently on the plans’ Medicare pages on the website.
- ✓ Deploy public service announcements from Medicare in waiting rooms at physician offices, federally qualified health centers, etc.
- ✓ Deploy a pop-up box in Medicare Plan Finder upon plan enrollment so patients can enroll following their plan selection; ideally, require them to make a Yes/No selection.
- ✓ Create an additional pop-up option for enrollment into the MPPP if a prospective enrollee inputs drug costs during Plan Finder searches in the enrollment process.
- ✓ Conduct regular focus groups with Part D beneficiaries to ensure program and educational outreach are meeting their assigned objectives.

Participant-Facing Communications

- ✓ Deploy a **new, standardized colored letter** specifically focusing on the MPPP separate from the Annual Notice of Change communication pieces, and highlight this further in the Medicare & You handbook.
- ✓ Ensure the monthly billing statements offer clear information for the enrollee so that these statements stand out from other Explanation of Benefits.
- ✓ Clearly communicate that patients have to reenroll into the program on an annual basis.

Equipping Key Stakeholders

- ✓ Ensure SHIP counselors are well-resourced to educate beneficiaries on the MPPP.
- ✓ Offer SHIP counselors a short tip sheet with key information that can be used at events and on SHIP websites.
- ✓ Create robust materials for pharmacists (leveraging experience from LI-NET) and healthcare providers.

Proposed Part D Plan Requirements

- ✓ Require plans to continually send information on MPPP to beneficiaries, even if beneficiaries initially opt against enrollment.
- ✓ Require agents and brokers to educate beneficiaries on this benefit and undergo mandatory training on the MPPP benefit.



I know that CMS guidance for anything and everything is to send a letter, a form letter to beneficiaries. Those get lost in the mail, and we all know that, right? Those of us who do this every single day, it’s just more information that, quite frankly, is often confusing, and they don’t understand.



I often joke that I don’t know many people who read the Medicare & You handbook from front to end (unless they suffer from insomnia). But it’s got to be in language that is easy to understand, relatable, and hopefully mirrors whatever they are able to put on the Medicare Plan Finder.



I hope they’ll do some really good advertisements to really help promote this and to limit the amount of promotion the plans are allowed to do on this benefit... I think if you have Joe Namath talking about this, it’s going to confuse the heck out of people. And if it comes from the official Medicare resource, there’s a better chance they’re going to see this as valid.



IMPLEMENTING OTHER PATIENT PROTECTIONS

While education around the new MPPP benefit will be critical, the benefit can only be as effective as the beneficiary protections built into the program and more broadly in Part D. The required beneficiary responsibility of \$2,000 may still be a financial challenge to some beneficiaries, especially for those just above 150% of the federal poverty level and ineligible for the Low-Income Subsidy (LIS). According to a poll of Part D beneficiaries, 75% of the respondents stated that they would have a difficult time paying for \$2,000 in OOP costs.

In addition to the lingering financial need for many Part D beneficiaries, the benefit redesign will significantly increase Part D plan financial liability. Given this new financial burden, Part D plans may react in the following ways:

- Increase monthly plan premiums.
- Reduce the number of drugs covered under plan formularies.
- Apply more utilization management across covered drugs.
- Reduce plan offerings, especially standalone prescription drug plans.
- Offer fewer benchmark drug plans in which LIS beneficiaries may enroll to receive no to nominal costs for premiums and cost-sharing.

Given these potential outcomes, it will be critical for CMS to conduct enhanced oversight in order to maintain beneficiary protections while affording plans the appropriate flexibility in managing the benefit.



These (plans) are going to increase premiums. They are going to narrow their formularies, and it's just going to happen. What CMS needs to be aware of is that they need to delve down into (this) more.



REFERENCES

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