

# Medicare Cancer Coverage: The Basics

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# Agenda

- Part B
- Part D
- Medigap
- Unique aspects of oncology products

## Part B: Types of Products

- Types of products: incident to physician's services (injectable; infused)
- Not usually self-administered products
  - Except some oral cancer drugs and oral anti-nausea drugs
  - If there is a choice between giving the drug by mouth or by IV, Part B covers it

## Part B: Basic Benefit Design

- Standard premium: \$135.50 in 2019
- Deductible: \$185 in 2019
- Following the deductible: 20% coinsurance
- No catastrophic cap

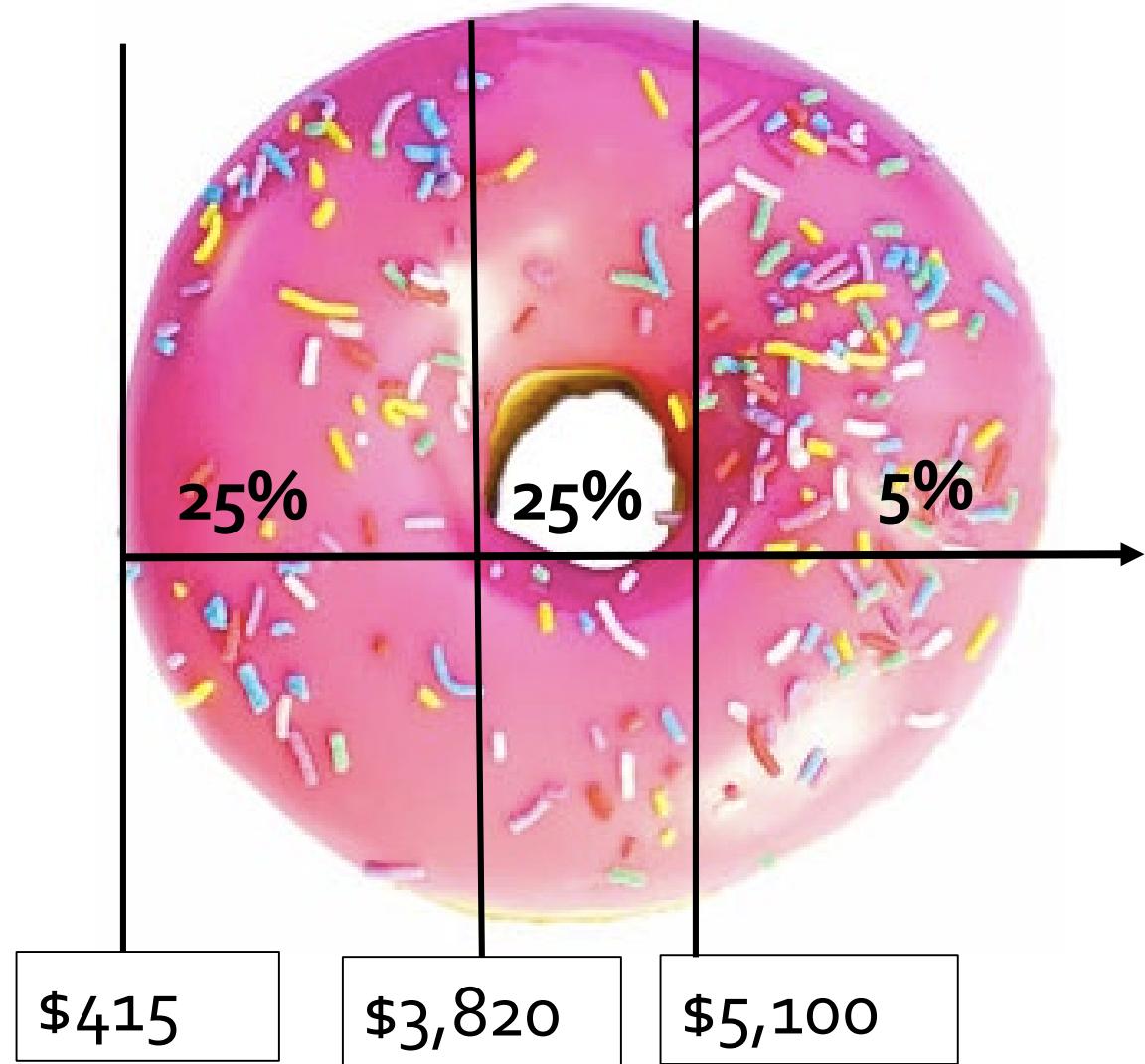
## Part D: Types of Products

- “Traditional” drug benefit: pharmacy counter
- If Part B does not cover a product, Part D might
  - Coverage varies by plan; beneficiary should check formulary and tier
- For example: chemotherapy drugs only available orally; pain medication

## Part D: Basic Benefit Design

- Base premium: \$33.19 in 2019
- Deductible: \$415 in 2019
- Coinsurance: 25% up to initial coverage limit of \$3,820 in total drug costs
- Above that amount: 25% for brands until enrollee reaches catastrophic coverage at \$5,100
- Above catastrophic cap: 5%

## Part D: Basic Benefit Design



# Medigap

- Medicare supplement insurance are policies sold by private companies, but designed within parameters set by the government
- These policies can help with out-of-pocket cost for traditional Medicare
  - Include certain patient protections (guaranteed issue; pre-existing conditions)
- Most policies receive the Part B claim information from Medicare and directly pay physician whatever amount is owed

# Oncology Products: Unique Aspects

- High off-label use in oncology
  - Part B may cover off-label uses of cancer drugs
  - Part D plans may cover off label uses if the use is cited in a compendium
  - “American Patients First” blueprint question: indication-based payment?
  - ONS requested more detail on how drug value would be assessed and urged Administration to ensure such assessments are supported by evidence-based research
  - ONS urged caution if indication-based pricing restricts off-label uses. Already, some insurers raise barriers to reimbursement for off-label uses.

# Oncology Products: Unique Aspects

- Protected classes in Part D
  - One of the classes: antineoplastics
  - Plans must cover “all or substantially all” products in these classes
  - Plans still use certain formulary management tools
  - Blueprint question: leverage inclusion in protected classes as a “reward” for not increasing list prices?
  - ONS urged Administration not to create more misaligned incentives

# Oncology Products: Unique Aspects

- Moving drugs from Part B to Part D
  - “American Patients First” blueprint question
  - Could be done safely and cost-effectively for some types of products, but not oncology
  - For cancer, there are logistical implications
  - Additionally, there would be increased out-of-pocket costs for patients
  - ONS requested guardrails to protect patients and urged the Administration to consider patients without Medicare prescription drug coverage



# Thank you!