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

- 25% up to $415
- 25% up to $3,820
- 5% for amounts above $3,820 up to $5,100
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.
• 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.
• 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!