

IRA background

The Inflation Reduction Act, signed into law on August 16, 2022, by the Biden Administration, aimed to curb inflation helping to reduce the federal government budget deficit. The Inflation Reduction Act (IRA) is the most significant piece of legislation to impact the Medicare program since the inception of Part D. A significant portion of the IRA aims to tackle the issue of rising healthcare costs, particularly in the context of Medicare and prescription drug coverage.

2025 Highlights of this Act include:

+ Medicare Part D Redesign; Including Annual Out-of-Pocket Costs for Beneficiaries; Manufacturer Discount Program

- + Beginning in 2025, a new \$2,000 OOP cap will be applicable to all covered Medicare Part D drugs. The initial coverage phase remains unchanged.
- + Coverage Gap Discount Program will be eliminated for 2025; replaced by creation of new Manufacturer Discount Program, this program will go live in 2025 and discounts on applicable brand drugs provided by manufacturers will no longer count toward TrOOP.

+ Medicare Prescription Payment Plan (M3P)

M3P participants will pay \$0 at the pharmacy for covered Part D drugs, and the Part D plan sponsor will then bill program participants monthly for any cost-sharing they incur while in the program, helping to manage high-cost drugs by spreading payments over time. This program is voluntary, and any eligible members can choose to opt into the program during the Annual Enrollment Period and throughout the plan year online, by phone, or mail.

➤ Program Eligibility

- Available to anyone covered by Medicare
- Current Medicare beneficiaries can sign up during the Open Enrollment Period (OEP) beginning 10.15.2024 for benefits starting 1.1.2025
- For individuals who become Medicare eligible after 1.1.2025, M3P election can happen as soon as becoming covered by Medicare.

➤ Benefits to participant

- Expense management
- Easy to use
- Improve health and adherence
- No cost to sign up—no monthly fees, no interest, and no late payment fees
- If a member opts in to M3P, instead of paying a cost-share up front or a potentially large lump sum, the participant will receive a monthly bill with payments spread over the course of the year
- View and manage payments – the participant can set up auto pay

- Spreading the cost over time allows for access to medication leading to better health outcomes
- **Likely to Benefit / Not Benefit**
 - Medicare members with higher Part D drug spend
 - Prescriptions with a cost share greater than \$600 will receive point-of-sale directions
 - Those who may be likely to be benefit will be notified by email or mail or at the pharmacy
- **The program may not be the best option if:**
 - No Part D drug costs, or low costs annually
 - Same costs each month
 - Late in calendar year
 - Receives or is eligible to receive extra help from Medicare or Medicare Secondary Payer (MSP)
 - If another organization pays a portion of their eligible Part D medications
- **When and how to elect M3P:**
 - A member enrolled in a Medicare plan will receive an ID card by mail along with information on how to elect the M3P with Express Scripts by phone, website or mail
 - A member can call Express Scripts at 866.845.1803 if information is needed before then.

Why Health Plan clients are choosing the Express Scripts M3P solution:

Express Scripts brings together industry expertise and existing infrastructure to meet the needs of clients and members to deliver a best-in-class solution for M3P. This is a member centric solution providing participants with a clear and easy to use web-based portal along with designated call center support. The program will engage and educate participants through multi-channel communications offering flexible and easy payment options to help manage the costs of their eligible Part D medications.