

Understanding the Inflation Reduction Act (IRA)

What is the IRA?

The Inflation Reduction Act (IRA) that went into effect January 1, 2023, is a landmark United States federal law which aims to curb inflation by possibly reducing the federal government budget deficit, **lowering prescription drug costs**, and investing into domestic energy production while promoting clean energy.

How does the IRA affect you as Medicare member?

- Vaccines:** Care N' Care covers most vaccines. Medicare has rules on how these vaccines are covered. Some are covered under your Part B benefit (medical benefit), and some are covered under Part D (prescription drug benefit). Prior to the IRA, vaccines covered under Part D could have a copay. However, under the IRA, Care N' Care won't charge you a copayment for vaccines covered under Part D that the Advisory Committee on Immunization Practices (ACIP) recommends. Examples of these vaccines are: Shingrix (shingles), Tdap (tetanus, diphtheria and pertussis/whooping cough), RSV (respiratory syncytial virus), and more. Care N' Care continues to cover your Part B vaccines at no cost to you, such as: flu, pneumonia, COVID-19 and hepatitis B.

It is important to note that what you pay for vaccines will also depend on how and where you get the vaccine. See our Evidence of Coverage, chapter 6, section 8 for more information either online or by calling your Customer Experience Team at 1-877-374-7993. (TTY users should call 711). Hours are October 1 - March 31, 8 a.m. – 8 p.m. Central, 7 days a week: April 1 - September 30, 8 a.m. – 8 p.m. Central, Monday through Friday.
- Insulin:** For Medicare beneficiaries who use insulin, coverage is provided under Medicare Part D, unless the insulin is used with an external insulin pump. Insulin given with an external insulin pump is covered under Part B. The IRA limits member cost sharing for insulin products to no more than \$35 for a one-month supply. This applies to insulin covered under both Part D and Part B. Although Medicare Part D plans are not required to cover all insulin products, Care N' Care **won't charge you more than \$35 for a one-month supply of each Part D-covered insulin no matter what cost-sharing tier it's on.** You can search for covered insulins on our formulary online. If you need a paper copy of our formulary you can request one by calling your Customer Experience Team at 1-877-374-7993. (TTY users should call 711). Hours are October 1 - March 31, 8 a.m. – 8 p.m. Central, 7 days a week: April 1 - September 30, 8 a.m. – 8 p.m. Central, Monday through Friday.

- Prescription Drug Costs:** Year-to-year drug price increases exceeding inflation are not uncommon and affect people with both Medicare and private insurance. The Inflation Reduction Act requires drug manufacturers to pay a rebate to the federal government if prices for single-source drugs and biologics covered under Medicare Part B and nearly all covered drugs under Part D increase faster than the rate of inflation. This will lead to a stronger Medicare for current and future enrollees and discourage unreasonable price increases by drug companies.
- Medicare Drug Price Negotiation:** For the first time, Medicare will be able to negotiate directly with manufacturers for the price of certain high-spending brand-name Medicare Part B and Part D drugs that don't have competition. This means that people with Medicare will have increased access to innovative, life-saving treatments, and the costs will be lower for both them and Medicare.

What Changes are Coming in 2024 under the IRA?

- Starting January 1, 2024, there will no longer be partial coverage in the Part D Low-Income Subsidy program (also known as Extra Help). Full benefits will be offered to people with Medicare with limited resources and incomes up to 150 percent of the federal poverty level. For more information on the Extra Help Program, go to <https://www.ssa.gov/medicare/part-d-extra-help> or call Social Security at 800-772-1213. (TTY users call 800-325-0778).
- If you have drug costs high enough to reach the catastrophic coverage stage of drug coverage, you won't have to pay a copayment or coinsurance. This means that for 2024, during the catastrophic stage, the plan will pay the full cost of your Part D prescription drug. You will pay nothing.

Sources:

- "Inflation Reduction Act and Medicare", cms.gov, last accessed August 31, 2023, <https://www.cms.gov/inflation-reduction-act-and-medicare>
- "Saving money with the prescription drug law", Medicare.gov, last accessed August 31, 2023, <https://www.medicare.gov/about-us/prescription-drug-law>
- "Explaining the Prescription Drug Provisions in the Inflation Reduction Act", Kff.org, last accessed August 31, 2023, <https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act>