

Cost-Shifting Trends in Medicare Part D: Leaving Cancer Patients Behind

For decades, the Leukemia & Lymphoma Society (LLS) has invested in new medical research aimed at finding cures for blood cancers (leukemia, lymphoma, and myeloma). As a result, we have seen major breakthroughs that have transformed some blood cancer diagnoses from a death sentence to a manageable chronic disease. Despite these exciting advances, high out-of-pocket costs prevent too many blood cancer patients from accessing the medicines that could save their lives.

Today, Medicare Part D patients with cancer can pay extremely high out-of-pocket costs when their prescribed medication is placed on a plan formulary's "specialty tier." For drugs on a specialty tier, patients are forced to pay up to 33% of the cost of the prescribed therapy rather than a reasonable copay. This results in monthly out-of-pocket costs of hundreds or thousands of dollars—if the patient chooses to fill the prescription at all. Too often, these high out-of-pocket costs result in patients not adhering to their prescribed course of treatment or forgoing their treatments altogether, resulting in suboptimal outcomes and preventable hospitalizations.

Plans are shifting more costs to cancer patients

Unfortunately for cancer patients with Part D coverage, the problem of high cost-sharing for anti-cancer medications is only getting worse. In just the last two years, beneficiaries who rely on self-administered cancer care medications have been left behind by troubling trends among participating plans.

- Coinsurance is now the only option – As of 2015, every single Part D plan now includes a specialty tier with coinsurance cost-sharing. This is the culmination of a multi-year trend of plans replacing copays with coinsurance—even as the cost of new, targeted cancer drugs has increased.
- More drugs are subject to coinsurance – With every plan using a specialty tier, insurers are going even further by placing more drugs onto that coinsurance tier rather than charging a flat copay. This year, Part D plans included 58% more covered drugs on their specialty tiers than in 2013.

Punishing patients who rely on high cost medications does not slow the growth of drug prices. Without further protections, these trends will continue as insurers shift more costs onto the sickest beneficiaries.

A solution that works for cancer patients

Fortunately, a targeted solution to this growing problem is already built into the Part D program: the existing Medicare "tiering exception" that allows patients to appeal for lower cost-sharing when no drug offered on a lower tier could be used to treat the patient's condition. After Congress included the tiering exception in the legislation establishing the Part D benefit, the Centers for Medicare & Medicaid Services (CMS) created a loophole that prevents beneficiaries from using the tiering exception for any drug placed by the insurer on a plan's specialty tier.

To close this loophole, LLS urges Congress to support proposals that would extend the tiering exceptions process to allow a senior whose necessary medication is on a Part D specialty tier to appeal for lower cost-sharing. LLS also urges Congress to adopt an annual out-of-pocket cap maximum to ensure no senior is bankrupted by a cancer diagnosis. These simple solutions will allow cancer patients to access critical life-saving therapies at a reasonable cost.