

# Affordability Options for Prescription Drugs

Healthcare treatment options continue to expand, many due to advances in pharmaceutical therapies. Although prescription drugs comprise only 10.1 % of total U.S. healthcare spending,<sup>1</sup> the out-of-pocket costs for individual patients can be significant. This summary presents resources that may assist patients with their prescription drug costs and correlates the options with primary insurance status.

If You Have:	These Resources May Be Available							
	Qualified Medicare Beneficiary Program (QMB)	Medicare Low Income Subsidy ("Extra Help")	Manufacturer's Co-pay Assistance Programs	Exception Request	State Pharmaceutical Assistance Programs (SPAPs)	Drug Discount Cards	Foundations and Funds	Insurance Options*
Medicare Part B	✓					✓	✓	• Add a Medigap Plan
Medicare Part D		✓		✓	✓	✓	✓	• Switch Part D Plans
Medicare Advantage with Prescription Drug Plan (MA-PD)		✓		✓	✓	✓	✓	• Switch to Original Medicare, then: –Add a Part D Plan –Add a Medigap Plan
Medicaid						✓	✓	
Medicare + Medicaid (dual eligible)		✓				✓	✓	
Commercial Insurance			✓	✓		✓	✓	
TRICARE (military retiree benefits)				✓		✓	✓	
No Insurance					✓	✓	✓	• Qualify for Medicaid • Purchase Insurance Plan (commercial, exchange, etc.)

\* The ability to enroll/disenroll and switch between types of Medicare coverage and Medigap plans is limited to the annual open enrollment periods, unless specific circumstances qualify a beneficiary for a Special Enrollment Period (SEP). Medicaid eligibility criteria varies by state.<sup>2,3</sup>

This document is presented for informational purposes only and is not intended to provide reimbursement or legal advice. Laws, regulations, and policies concerning reimbursement are complex and are updated frequently. While we have made an effort to be current as of the issue date of this document, the information may not be as current or comprehensive when you view it. In addition, this information does not represent any statement, promise, or guarantee by Johnson & Johnson Health Care Systems Inc., Janssen Biotech, Inc., Janssen Pharmaceuticals, Inc., or their affiliates, about coverage, levels of reimbursement, payment, or charge. Please consult with your payer organization(s) for local or actual coverage and reimbursement policies and determination processes. Please consult with your counsel or reimbursement specialist for any reimbursement or billing questions specific to your institution.

## GLOSSARY

**Drug Discount Cards:** Discount drug cards provide discounts off the purchase price of certain medications and may be used by people who are uninsured or choose not to use their insurance. Not all medications are included and the amount of discount varies. Some discount cards are free and others must be purchased. The cards are offered by state governments, drug companies, non-profit, and for-profit businesses.

**Exception Request:** Under most prescription drug benefit programs, a beneficiary, or a provider on the beneficiary's behalf, may request a coverage determination regarding his or her drug benefits, including the amount that a payer requires a patient to pay for a prescription drug. Policies and specific processes may vary by plan.

**Foundations and Funds:** As used in this resource, "foundations and funds" are those organizations and programs that offer assistance with prescription out-of-pocket costs to insured individuals, including those whose prescriptions are paid, in whole or part, by any state or federally-funded programs such as Medicare, Medicaid, Medigap, VA, DOD, TRICARE, or State Pharmaceutical Assistance Programs (SPAPs). This classification differs from Manufacturer's Co-Pay Assistance Programs (see below), which are specifically prohibited from use with state or federally-funded programs.

**Manufacturer's Co-pay Assistance Programs:** Some pharmaceutical manufacturers offer assistance with out-of-pocket costs for the drugs they sell. Support may include savings on private insurance co-pay and coinsurance medication costs. Use of co-pay assistance cards is prohibited if prescriptions are paid in whole or in part by any state or federally-funded program including, but not limited to, Medicare or Medicaid, Medigap, VA, DOD, TRICARE, or State Pharmaceutical Assistance Programs (SPAPs).<sup>4</sup> Qualified Health Plans (QHPs) offered through Health Insurance Marketplaces are not considered federal healthcare programs. Thus, QHP enrollees may be eligible for co-pay assistance programs.<sup>5</sup>

**Medicare Low Income Subsidy (LIS):** LIS is a Medicare program to help people with limited income and resources pay Medicare prescription drug costs. This program is also called "Extra Help". Those who qualify can receive help paying the drug plan premium, deductible, coinsurance, and co-payments, and have no gap in coverage.<sup>6</sup>

**Medigap (Medicare Supplement Insurance):** Medigap policies, sold by private insurance companies, help pay for some of the healthcare costs that Original Medicare (Medicare Parts A and B) does not cover, including co-payments, coinsurance, and deductibles. Medigap does not cover costs associated with Medicare Part D or Medicare Advantage (Medicare Part C).<sup>7</sup>

**Qualified Medicare Beneficiary (QMB):** The QMB Program is one of the Medicare Savings Programs available to low-income Medicare beneficiaries who meet the eligibility criteria. QMB helps pay for Part A and/or Part B premiums, deductibles, coinsurance, and co-payments, and thus may help with the out-of-pocket costs associated with Medicare Part B drugs.<sup>8</sup>

**State Pharmaceutical Assistance Programs (SPAPs):** States can offer help paying drug plan premiums and/or other drug costs. Eligibility may be based on financial need, age, or medical condition. Benefits may vary between programs.<sup>9</sup>

**REFERENCES:** **1.** National Center for Health Statistics. Health, United States, 2016: With Chartbook on Long-term Trends in Health. Hyattsville, MD. 2017. <https://www.cdc.gov/nchs/data/abus/abus16.pdf>. Accessed August 28, 2018. **2.** Centers for Medicare and Medicaid Services. Part A and Part B sign-up periods. <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>. Accessed October 2, 2018. **3.** Centers for Medicare and Medicaid Services. Understanding Medicare Part C & Part D Enrollment Periods. <https://www.medicare.gov/sites/default/files/2018-07/11219-understanding-medicare-part-c-d.pdf>. Accessed October 2, 2018. **4.** AdvisoryBoard.com. 'Copay coupons' won't count toward deductibles this year for many patients. What could that mean? <https://www.advisory.com/daily-briefing/2018/02/13/copy-coupons>. Accessed October 2, 2018. **5.** Department of Health and Human Services. (October 30, 2013). Sibelius Letter to the Honorable Jim McDermott. <https://www.hlregulation.com/files/2013/10/The-Honorable-Jim-McDermott.pdf>. Accessed August 30, 2018. **6.** Centers for Medicare & Medicaid Services. Medicare Prescription Drug Manual, Chapter 13. Premium and Cost-Sharing Subsidies for Low-Income Individuals. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/Chapter13.pdf>. Accessed August 30, 2018. **7.** Centers for Medicare & Medicaid Services. What's Medicare Supplement Insurance (Medigap)? <https://www.medicare.gov/supplement-other-insurance/medigap/whats-medigap.html>. Accessed August 31, 2018. **8.** Centers for Medicare & Medicaid Services. Medicare Savings Programs. <https://www.medicare.gov/your-medicare-costs/help-paying-costs/medicare-savings-program/medicare-savings-programs.html#collapse=2625>. Accessed August 30, 2018. **9.** Centers for Medicare and Medicaid. State Pharmaceutical Assistance Programs. <https://www.medicare.gov/pharmaceutical-assistance-program/state-programs.aspx>. Accessed October 2, 2018.