

# Inflation Reduction Act

## Frequently asked questions

### Overview

The **Inflation Reduction Act** (IRA) went into effect on Aug. 16, 2022, which made changes to Medicare that reduced prescription costs, increased benefits and more. Members of UnitedHealthcare® Medicare Advantage plans (Part C) and Part D Prescription Drug Plans (PDP) are impacted by this new law in the following ways:

- **Starting Jan. 1, 2023, members with Part D prescription drug coverage have a \$35 maximum cost-share for Part D insulin drugs**
  - Insulins covered on the plan formulary have a \$35 maximum cost-share for a 1-month prescription (some plans have lower cost-shares)
- **Starting Jan. 1, 2023, members with Part D prescription drug coverage have a \$0 vaccine cost-share**
  - Vaccines on the plan's formulary have a \$0 cost-share for adult plan members ages 19 and older, regardless of the drug tier
- **Starting April 1, 2023, members of Medicare Advantage plans may have lower out-of-pocket costs for Part B drugs that qualify for a rebate**
  - The Medicare Prescription Drug Inflation Rebate program requires drug companies to pay a rebate if they raise prices for certain drugs faster than the rate of inflation
  - CMS will manage and release a list of rebatable drugs on a quarterly basis; drug list and percentage amounts are subject to change quarterly
  - Members may see their cost-share for drugs vary throughout the year, depending on the rebate amount and if they're added or removed from the list
- **Starting July 1, 2023, members of Medicare Advantage plans have a \$35 maximum cost-share for Part B insulin drugs**
  - For plans with a Part B deductible, the deductible will not apply to insulin
  - For members of Medicare Advantage plans that include Part D prescription drug coverage, Part D insulin has been capped at \$35 since Jan. 1, 2023, which means starting July 1, 2023, these members will pay \$35 or less for a 1-month supply of all covered Part B and Part D insulin from network providers

## Frequently asked questions



### **\$35 maximum Part D insulin cost-share**

#### **What UnitedHealthcare plans are impacted by the maximum Part D insulin cost-share?**

All UnitedHealthcare plans that provide Part D prescription drug coverage, either through a stand-alone Medicare Part D Prescription Drug Plan (PDP) or Medicare Advantage Prescription Drug (MAPD) plan (including Dual Special Needs Plan [D-SNP] and Chronic Special Needs Plan [C-SNP]). This does not apply to Medicare Advantage plans that only include medical benefits and do not include Part D prescription drug coverage (i.e., MA Only plans).

#### **Who can participate and how do they qualify?**

All UnitedHealthcare members on plans with Part D coverage automatically qualify.

#### **Are Low Income Subsidy (LIS) members eligible for the \$35 maximum cost-share?**

Members in all plans who receive LIS, also known as Extra Help, pay the lesser of the LIS cost-share, or \$35.

#### **What is the member cost-share in each stage?**

It's a \$35 maximum cost-share for a 1-month supply across all drug stages. If a member is enrolled in a plan with a cost-share set below the \$35 maximum, the member will pay the lower amount.

#### **Does the \$35 cost-share count against the deductible or cost accumulator?**

The \$35 cost-share bypasses the deductible for all plans. The total cost of insulin is counted in the true out-of-pocket (TrOOP) costs progress toward the catastrophic stage (member cost-share plus the subsidized amount).

#### **Does the IRA cover Part B insulin and pumps?**

Part B insulin is covered at the current plan coinsurance through June 30, 2023. It will be covered at the maximum \$35 cost-share effective July 1, 2023 (see \$35 maximum Part B insulin cost-share FAQs in this document). Pumps are not included in the \$35 maximum cost-share.

#### **What insulin medications are covered in the program?**

All insulins covered on the plan formulary have a \$35 maximum cost-share for a 1-month prescription.

#### **What if someone takes more than 1 insulin?**

The \$35 maximum cost-share applies to each prescription (e.g., 2 insulin prescriptions would be \$35 x 2 totaling, \$70 for a 1-month supply).

## **Why do some plans refer to insulins as select insulins, while others refer to them as covered insulins?**

Plans that originally participated in the Part D Senior Savings Model (PDSSM) use the word “select.” All other plans use the word “covered.” From a member perspective, the terms are interchangeable.

## **How are transition fills and formulary exceptions handled?**

Members in all plans have a maximum \$35 cost-share.

## **How are prior authorizations, step therapy and other edits handled for insulin?**

They remain in place for all plans, if applicable.

## **Are disposable pumps (such as Omnipod) covered at \$35?**

Insulin supplies are not covered under the legislation. UnitedHealthcare 2023 MAPD and PDP plans cover Omnipod® and V-Go® disposable insulin pumps on Tier 3, except as noted below. For 2023 AARP® MedicareRx Walgreens (PDP) and AARP® MedicareRx Saver Plus (PDP) plans, V-Go disposable insulin pumps are covered on Tier 3. Omnipod is not covered under these plans.

## **Is there a Special Election Period for insulin users?**

Yes. A Special Election Period is available for all beneficiaries who use a covered insulin product. Beginning on Dec. 8, 2022, through Dec. 31, 2023, they have a one-time opportunity to select another plan. Members must call 800-MEDICARE (800-633-4227) so a customer service representative can process the enrollment change.

## **Will the Plan Finder on Medicare.gov have updated insulin cost information?**

No, but they have new insulin and vaccine drug footnotes and other help features to explain the benefit changes resulting from the IRA.



## **\$0 vaccine cost-share**

### **What UnitedHealthcare plans are impacted by the \$0 vaccine cost-share?**

All UnitedHealthcare plans that provide Part D coverage are impacted by the \$0 adult vaccine cost-share. This includes MAPD (including D-SNP and C-SNP) and PDP. This does not apply to Medicare Advantage plans that only include medical benefits and do not include Part D prescription drug coverage (i.e., MA Only plans).

### **What members can participate and how do they qualify?**

All UnitedHealthcare adult members ages 19 and older on plans with Part D coverage automatically qualify. This includes members with LIS, also known as Extra Help.

## What vaccines are covered?

All Part D covered vaccines that can be administered to adults ages 19 and older, including shingles vaccine (Shingrix), are \$0 member cost-share.

Deductible will not apply and no cost-sharing for an adult vaccine that is recommended by the Advisory Committee on Immunization Practices (ACIP) (i.e., a covered Part D drug that is a vaccine licensed by the FDA under section 351 of Public Health Service Act [PHSA] for use by adult populations and administered in accordance with recommendations of ACIP).

The Centers for Disease Control and Prevention (CDC) offers adult immunization schedules by vaccine and age group online at [cdc.gov](https://www.cdc.gov):

- [Advisory Committee on Immunization Practices \(ACIP\) Vaccine Recommendations and Guidelines](#)
- [CDC Adult Immunization Schedule](#)

## Is the shingles vaccine (Shingrix) covered at \$0 for both injections?

Yes.

## Is there an age limit to qualify for the \$0 vaccine

Yes, members must be age 19 or older.

## How will prior authorizations, step therapy and other edits be handled for vaccines?

They will remain in place for all plans if applicable.



## Rebatable drugs

### Where is the list of rebatable drugs?

The [current list](#), applicable Oct. 1–Dec. 31, 2023, is available at [cms.gov](https://www.cms.gov).

The [list](#) applicable July 1–Sept. 30, 2023, is available at [cms.gov](https://www.cms.gov).

The [list](#) applicable April 1–June 30, 2023, is also still available at [cms.gov](https://www.cms.gov).

### How often is the rebate list updated?

CMS will release an updated list with drug names and coinsurance amounts once a quarter.

### Why do the percentage amounts on the rebate list have 3 decimal points?

CMS expects Managed Care Organizations (MCOs) to calculate the coinsurance percentage as defined in the quarterly list to 3 decimal points. The actual amount the member pays will be at 2 decimal points.

For example, if the allowed amount of a Part B drug on the rebate list is \$100.97 and the adjusted coinsurance amount is 19.401%, the MCO calculates the coinsurance amount to \$19.589 (19.401% x \$100.97). The \$19.589 is then rounded to 2 decimal points so that the member pays \$19.59.

## Why are plans with a copay not included in drugs increasing faster than inflation?

CMS decided this law does not apply to flat dollar copays. If a drug price goes up over the year, members will continue to pay the copay amount listed in their Evidence of Coverage (EOC). They will never pay more than their copay amount for the year.

## What happens when a member fills a prescription for a rebatable drug?

- Rebatable drugs from a **network provider's office** will be processed in our medical claims system using the Part B coinsurance amount listed in the member's EOC or on the rebate list, whichever is lower. The member will receive an Explanation of Benefits (EOB) with the correct amount and no reimbursement is necessary.
  - If the member's plan has a Part B deductible, the Part B deductible is also applied
- Rebatable drugs from a **network pharmacy** will be processed in our drug claims system using the Part B coinsurance amount listed in the member's EOC. If the coinsurance amount on the rebate list is lower than the EOC amount, the member will be reimbursed for the difference via mail in 4–6 weeks.
  - If the member's plan has a Part B deductible, the Part B deductible does not apply



## \$35 maximum Part B insulin cost-share

### What is the difference between this \$35 insulin cap and the \$35 insulin cap that started on Jan. 1, 2023?

As of Jan. 1, 2023, insulin under Part D was capped at \$35. This impacted members of UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) plans that include Part D prescription drug coverage, but did not impact members whose Medicare Advantage plans only include medical benefits and do not include Part D prescription drug coverage (i.e., MA Only plans).

Starting July 1, 2023, insulin under Part B will also be capped at \$35 when obtained through a network provider. (Generally, Medicare covers insulin under Part B if it's required for an insulin pump.) This means starting July 1, 2023, all Medicare Advantage members (MAPD and MA Only) will pay \$35 or less for a 1-month supply of all covered Part B insulin, and all MAPD members will continue to pay \$35 or less for a 1-month supply of all covered Part D insulin.

### What if a member's plan has a Part B deductible?

The Part B deductible does not apply to any Part B insulin drugs.

No changes were made for all other Part B drugs. Depending on where the member gets the drug, the Part B deductible may or may not apply.

- It doesn't apply for Part B drugs filled at a network pharmacy and processed as a drug claim
- It does apply for all Part B drugs (except insulin) received outside of the network pharmacy and processed as a medical claim

### Where can I find more information?

Additional details about the IRA are available in the [White House document](#) released Aug. 16, 2022.