

Saving money with the prescription drug law

A new prescription drug law that went into effect January 1, 2023, will help save money for people with Medicare. This law improves access to affordable treatments and strengthens the Medicare program. Here's what the law means for you:

More vaccines covered

People with Medicare Part D drug coverage now pay nothing out-of-pocket for even more vaccines. Your Part D plan won't charge you a copayment or apply a deductible for vaccines that the Advisory Committee on Immunization Practices recommends, including the vaccines for shingles, whooping cough, and more.

Lower costs for insulin

Part D insulin costs

Your Medicare drug plan **can't charge you more than \$35** for a one-month supply of each Part D-covered insulin, and you don't have to pay a deductible. You'll pay \$35 (or less) for a one-month supply of each Part D-covered insulin product, even if you get Extra Help to lower your prescription drug costs.

If you get a 3-month supply of insulin, your costs can't be more than \$105 (\$35 for each month's supply).

Part B insulin costs

If you use an insulin pump that's covered under Part B's durable medical equipment benefit, or you get your covered insulin through a Medicare Advantage Plan, your cost for a month's supply of Part B-covered insulin can't be more than \$35. The Part B deductible won't apply. If you have Part B and Medicare Supplement Insurance (Medigap) that pays your Part B coinsurance, your plan should cover the \$35 (or less) cost for insulin.

If you get a 3-month supply of insulin, you'll generally pay no more than \$105, because your costs can't be more than \$35 for each month's supply of each covered insulin.

Lower out-of-pocket drug costs

- You might pay a lower coinsurance amount for certain drugs and biologicals covered by Part B, if their prices have increased higher than the rate of inflation. The specific drugs and potential savings change every quarter.
- If you have drug costs high enough to reach the catastrophic coverage phase in your Medicare drug coverage, you won't have to pay a copayment or coinsurance, starting in 2024.
- Extra Help affording prescription drug coverage (the Part D Low-Income Subsidy (LIS) program) will expand to cover more drug costs for people with limited resources who earn less than 150% of the federal poverty level, starting in 2024. People who qualify for Extra Help generally will pay no more than \$4.50 for each generic drug and \$11.20 for each brand-name drug.
- Your yearly Part D out-of-pocket costs will be capped at \$2,000 in 2025. You'll also have the option to pay out-of-pocket costs in monthly amounts over the plan year, instead of when they happen.
- If the price of a drug covered by Part B (Medical Insurance) increased faster than the rate of inflation, you might pay less than 20% coinsurance for that drug. The specific drugs that are impacted and the potential savings may change every quarter.



Medicare is negotiating to get you lower drug prices

For the first time, Medicare is 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. Prices have been negotiated for the first 10 drugs selected and will be effective in 2026.

The first 10 drugs selected for negotiation are:

- Eliquis
- Jardiance
- Xarelto
- Januvia
- Farxiga
- Entresto
- Enbrel
- Imbruvica
- Stelara
- Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill

In the future, Medicare will select and negotiate costs for:

- 15 Part D drugs in 2025 (effective in 2027).
- 15 Part B and Part D drugs in 2026 (effective in 2028).
- 20 Part B and Part D drugs in 2027 (effective in 2029).
- 20 Part B and Part D drugs in 2028 and every year after.

Manufacturers that don't follow the negotiation requirements will have to pay a tax, and will have to pay penalties if they don't fulfill other manufacturer requirements.

Source: <https://www.medicare.gov/about-us/prescription-drug-law>