



Drug Reimbursement and Policy

Drug Costs Matter to Patients, but Historically Providers Can Do Little to Help



Drug costs are rising faster than the national inflation rate



High out-of-pocket costs reduce medication adherence, increase abandonment of prescriptions at the counter, and increase underdosing



Medication adherence improves clinical outcomes and decreases costs, but both benefits are blunted when drug affordability trumps drug adherence

New Transparency into Formulary Pricing

Change #1

Medicare Advantage Transparency

- CY 2022 MA/PD final rule requires Medicare D stand-alone plans and Medicare Advantage plans offering Part D to offer a real-time benefit tool (RTBT)
- **In effect as of Jan 2021:** Provider-facing tool to inform prescribing of lower-cost drugs by sharing real-time cost-sharing information and on-formulary alternatives
- **Goes into effect in Jan 2023:** Beneficiary-facing RTBT, expanded to members via website and call center. It must include cost-sharing options so all beneficiaries who opt in can view lower-cost, clinically appropriate therapies within their plan's formulary

Change #2

Commercial Transparency

- **By Jan 2023 Payors must provide:** Provide out-of-pocket cost estimates for 500 shoppable items and services in an internet-based self-service tool for members, in addition to in-network rates and out-of-network allowed amounts
- **By Jan 2024 Payors must provide:** Cost estimates, in-network rates, and out-of-network amounts for all covered items and services, including prescription drugs, must be available in a self-service tool

