

OVERVIEW

The CMS Innovation Center tested whether establishing maximum copayments of no more than \$35 for one-month supply of selected insulins through the deductible, initial coverage, and coverage gap Part D benefit phases would reduce beneficiary and government costs and increase access to insulins.

Across all three years, the model achieved its two primary goals:



Increased **INSULIN UTILIZATION AND ADHERENCE**



Decreased **PART D OUT-OF-POCKET (OOP) DRUG COSTS** for insulin users

PART D COSTS to Medicare also decreased, but there were spillover effects in the form of increased **TOTAL PART D COSTS** (OOP plus premium) for noninsulin users.

KEY STAKEHOLDERS

By 2023, all five U.S. insulin **manufacturers** participated in PDSS, and about two-thirds of **Parent Organizations (POs)** with eligible plans had entered at least one Medicare Advantage Prescription Drug Plan (**MA-PD**) or stand-alone Part D prescription drug plan (**PDP**) into the model.

	2021	2022	2023
Manufacturers	3	5	5
POs	75	106	116
Plans			
MA-PDs	1,195	1,730	2,339
PDPs	310	258	324
Insulin Users			
MA-PDs	420,569	534,115	650,978
PDPs	314,162	361,526	387,431

POLICY CONTEXT

- The Inflation Reduction Act (IRA) of 2022 included provisions that expanded the model's \$35 maximum insulin copays to all Part D plans beginning in 2023.
- Part D bids and formularies reflecting 2023 model participation were submitted before IRA enactment.
- PDSS ran concurrent with the IRA insulin provision, which may have affected some model outcomes in 2023.

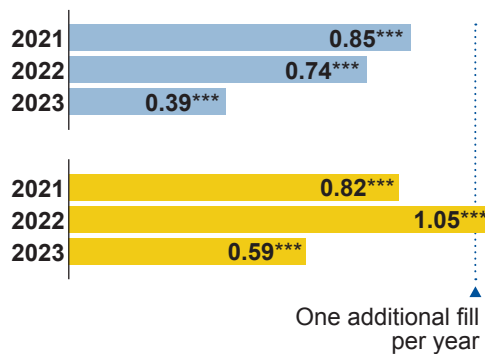
FINDINGS

ACCESS



Insulin users in participating plans filled additional **30-DAY INSULIN PRESCRIPTIONS**.

- Fewer **insulin users** reported using cost-coping strategies to address high insulin costs over the course of the model.
- Some **participating POs** noted that lower cost sharing in the coverage gap was a key factor in improving insulin adherence.



I was able to afford the additional medication when I got into the donut hole.

—Insulin User

■ MA-PD ■ PDP *** p < 0.001, ** p < 0.01, * p < 0.05

COSTS

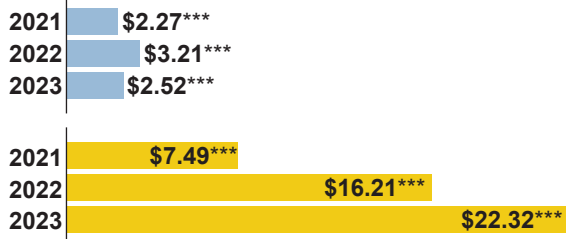


- TOTAL OOP DRUG COSTS** decreased for insulin users in participating plans (not significant in MA-PDs in 2023).
- When taking into account the cost of premiums, there was a smaller decrease in costs for insulin users in PDPs in 2021 and 2022, and total Part D costs increased in 2023 (not shown).
 - Interviewed insulin users did notice and generally appreciated that their copays went down.

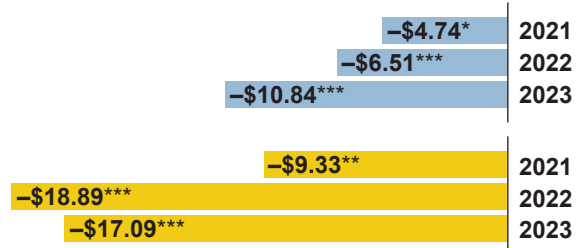
By lowering and stabilizing insulin costs, our members would be more likely to use insulin as prescribed. —PO



Payments to plans by **manufacturers** through **DRUG REBATES** increased, in contrast to participating POs' perception that there was no impact on manufacturer rebates.



PART D COSTS TO CMS decreased in all years of the model for both participating MA-PDs and PDPs.



HEALTH OUTCOMES



PART D RISK SCORES—diagnosis-based factors used to adjust CMS payments to plans—increased for **insulin users** in participating plans. The effect size was smaller for PDPs and not significant in 2023.



INPATIENT STAYS FOR UNCONTROLLED DIABETES decreased for **insulin users** in 2023 in participating MA-PDs but increased in 2022 in participating PDPs.

ENROLLMENT



ENROLLMENT increased for **insulin users** in participating plans. Insulin users specifically mentioned insulin costs in interviews as a key factor in their Part D plan selection.

SPILLOVER EFFECTS



For **noninsulin users**, **TOTAL PART D COSTS** increased in both MA-PDs and PDPs. The effect size was smaller and not significant for MA-PDs in 2023.

KEY TAKEAWAYS

- PDSS was **popular among key stakeholders**, indicated by its increasing participation over time.
- The model **achieved its major goals** of lowering OOP drug costs for insulin users and increasing access to insulins. However, Part D premiums tempered the cost decline for insulin users in PDPs.
- The model **shifted costs** from beneficiaries to manufacturers, as evidenced by increased coverage gap discount payments and drug rebates.
- The model also **lowered Part D costs to CMS** for both participating plan types.
- PDSS resulted in some **spillover effects on noninsulin users** in participating plans, who paid more for their total Part D costs.
- The **IRA insulin provision** affected some 2023 outcomes, particularly by reducing estimated model impacts on beneficiary costs and utilization.