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**FOCUS  
FORWARD**

**Welcome and Thanks for Attending**

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## Why Train the Field on the Inflation Reduction Act (IRA?)

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# Tell Us How We Did

## Take One Minute to Share Your Feedback

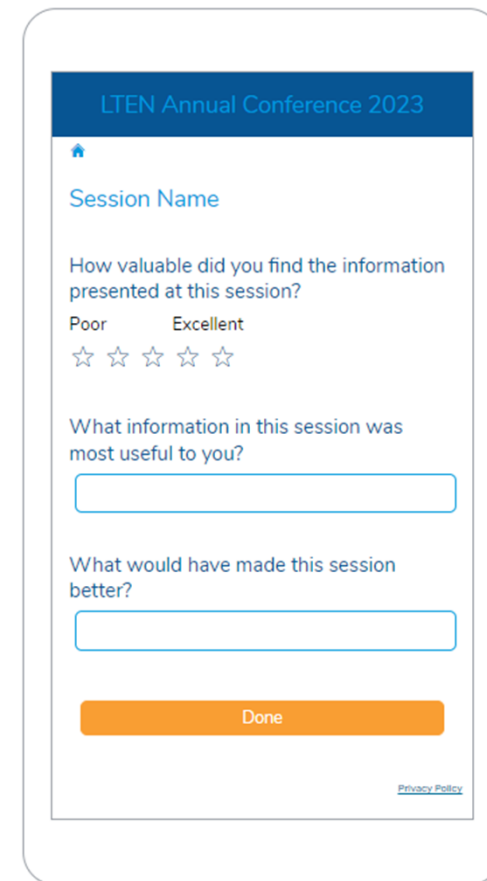
### From the app:

1. Select this Workshop
2. Click on Survey to Complete

Every Workshop Survey you submit enters you into a daily drawing for **one of three \$25 Amazon gift cards!**



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LTEN Annual Conference 2023

Session Name

How valuable did you find the information presented at this session?

Poor      Excellent

☆ ☆ ☆ ☆ ☆

What information in this session was most useful to you?

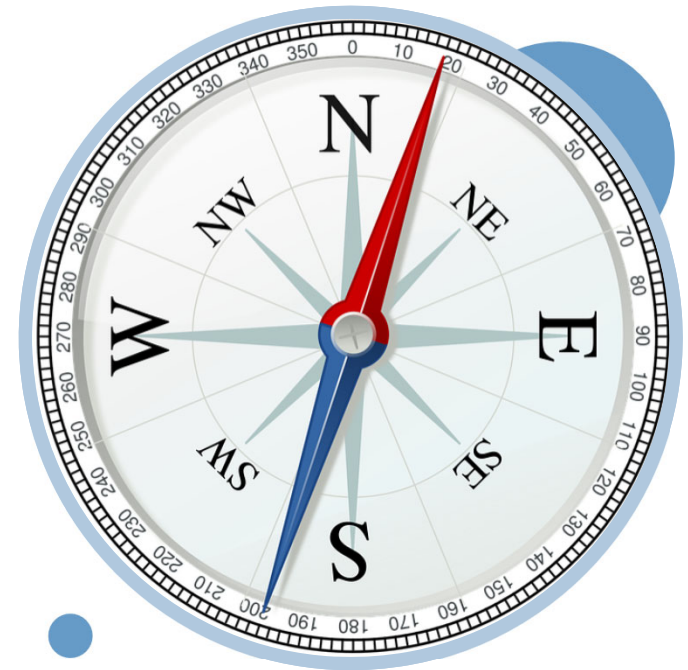
What would have made this session better?

Done

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# Our Objective

Help you navigate your training needs related to the Inflation Reduction Act (IRA) for each team



# Elements of the Inflation Reduction Act

## A Complicated Law

### Impacting many healthcare topics

- Patient cost sharing
- Pharma gross-to-net calculations
- Pharmacy AND medical benefit drugs

### Impacting many job functions

- Patient affordability
- Rebate negotiations
- Competitive selling

### Impacting many teams

- Field sales
- Payer teams
- Home office
- Patient Support





## “Don’t distract the field”

### *A necessary look into the topic*

- A broader overview
- Adds credibility with customers

### *Justifying the time investment*

- “It directly impacts their role”
- “It directly impacts their customer”
- “It directly impacts the patient”
- “It directly impacts their competition”



## “Market access training is valuable”

### *A deeper look into the topic*

- It directly impacts their role
- It directly impacts their customer
- It directly impacts the patient
- It directly impacts their competition



# Part D Redesign: Patient Cost Sharing

## Establishes a Max-out-of-pocket

- 2024: 5% cost share in Catastrophic Phase is eliminated
- 2025: MOOP is set at \$2,000

## Annualized patient share of cost

- A big copay can be spread over remainder of the benefit year

### Impact

- Expensive drugs: More patients can afford them
- Less expensive drugs: minimal impact
- Did your competition just become more affordable than your product?

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- Field sales
- Payer teams



- Field sales
- Payer teams
- Home office
- Pt support

# Part D Redesign: Manufacturer Costs

## Higher discounts required

- 10% discount in the Initial Coverage Phase (first time)
- 20% discount in the Catastrophic Phase (first time)

### Impact

- Expensive drugs: less revenue/ lower gross-to-net
- Less expensive drugs: 10% less revenue of the first scripts
- Changes rebate negotiations with payers

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- None



- Payer teams
- Home office



# Part D Redesign: Payer Costs

## Lower initial responsibility

- From 75% in the Initial Coverage Phase
- To 65% in the Initial Coverage Phase

## Higher subsequent responsibility

- From 15% in the Catastrophic Phase
- To 60% in the Catastrophic Phase

### Impact

- Patients staying in the Initial Phase cost payers less money
- Patients entering Catastrophic Phase cost more money
- Payers will seek bigger rebates from you
- Will they add a step edit? A new Prior Auth?

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- None



- Payer teams
- Home office

# Part D Redesign: LIS Program

## No more “Partial” subsidies

- All patients below 150% FPL get full LIS benefits
- Starts in January 2024

### Impact

- More patients enrolled in LIS Program with full benefits
- Lower share of cost for patients
- Our drug becomes more affordable

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- Field sales
- Payer teams



- Field sales
- Payer teams
- Home office
- Pt support

# Negotiating Drug Prices

## Which drugs will get “negotiated”?

- Part D in 2026, then Part B added starting in 2028
- No generic competition exists
- Selected from top 50 drugs costing Medicare the most money
- 60 total drugs

## Maximum Fair Price (MFP)

- The upper limit is about today’s government price (e.g. Medicaid)
- HHS then proposes an MFP to start negotiations
- If a manufacturer doesn’t participate, a penalty of 99% of total sales may apply
- PLUS a civil monetary penalty of 10x the price actually charged

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# Negotiating Drug Prices

## Impact

- Competitive selling environment changes
- Formularies may change
- Gross-to-net may change dramatically
- The impact is only in the Medicare channel

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- Field sales



- Payer teams
- Home office

# Inflation Penalty

## Penalty applies to:

- Part B single-source drugs (using ASP)
- Part D drugs (using AMP)

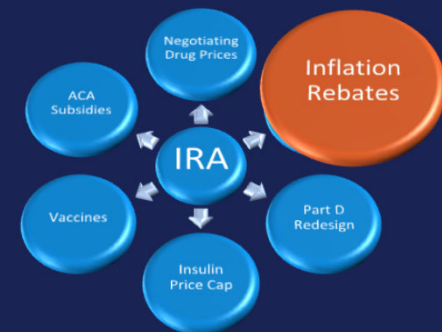
## Calculations

- Not dissimilar to Medicaid's inflation penalty
- If price is raised faster than inflation, manufacturer must pay rebate to the Medicare program

### Impact

- Patient copays lowered under Part B
- Higher launch prices?
- Lower, more consistent price increases?

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- None



- Home office
- Payer team

# ACA Subsidies

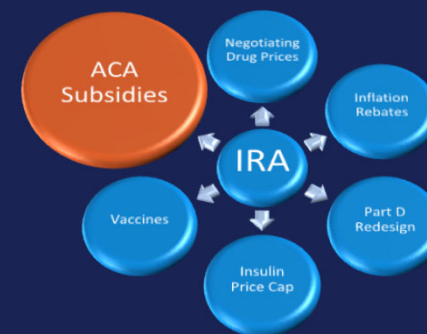
## Extends current enhanced subsidies

- Lowers maximum premium costs
- Non-Medicaid patients may pay \$0 in premiums
- People over 400% FPL may also get premium subsidies

### Impact

- More patients covered by Exchange policies
- More Exchange formularies apply
- More people with high-deductible plans

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- Field sales
- Payer teams
- Home office
- Pt support



- None

# Insulin Cost Sharing

## \$35 copay limit

- No deductible phase
- Not for all insulin products; only for those covered by the Plan
- As of this month, the \$35 limit also applies to Part B insulin

## Broader impact in 2026

- Copay can be reduced to 25% of Maximum Fair Price or 25% of the price negotiated with the manufacture
- Not for all insulin products; only for those covered by the Plan

### Impact

- Insulin of any formulation
- Better patient affordability

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- None



- Field sales
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# Vaccine Cost Sharing

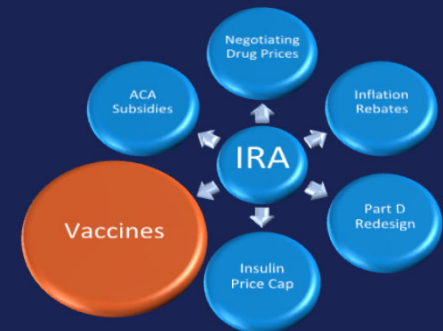
## Eliminates cost sharing for Part D vaccines

- Preventative vaccines under Part B have been cost-free to patients
- Now preventative vaccines under Part D are as well
- This includes the COVID-19 vaccines

### Impact

- Preventative adult vaccines are free
- This should increase use
- Note that treatment vaccines (e.g. for Hepatitis B) will still have a cost share

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- None



- Field sales
- Payer teams
- Home office
- Pt support



# Questions?

IRA Feature	Field Sales	Payer Teams	Home Office	Pt Support
Part D Redesign: Patient cost share	 	 		
Part D Redesign: Manuf. cost share				
Part D Redesign: Payer cost share				
Part D Redesign: Low-Income Subsidy	 	 		
Negotiating Price				
Inflation Rebates				
Insulin Price Cap*				
ACA Subsidies				
Vaccines*				

\* Select companies

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## Thank You!

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