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Medicare Part D plans' coverage and cost-sharing for acute rescue and preventive inhalers for chronic obstructive pulmonary disease

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Chronic obstructive pulmonary disease (COPD) is the third leading cause of death in the US, ¹ affecting 15.7 million adults¹ and causing nearly 700,000 hospitalizations and 1.7 million emergency department visits in 2012.² Much of the burden of COPD falls heavily on Medicare, with 1 in 9 Medicare beneficiaries diagnosed with COPD³ and Medicare paying 51% of all US direct health care costs for COPD.⁴ Inhaled medications are key to relieving symptoms and improving health outcomes. However, up to 31% of Medicare beneficiaries using COPD inhalers have reported nonadherence due to cost.⁵ COPD inhaler costs increased dramatically in 2008, when a ban on chlorofluorocarbon propellants phased out generic inhalers, leaving only brand-name options.⁶ We examined coverage and cost-sharing for COPD inhalers in Medicare Part D plans, which covered 39 million beneficiaries in 2015.

Methods:

We analyzed the June 2015 Centers for Medicare and Medicaid Services Prescription Drug Plan Formulary, Pharmacy Network, and Pricing Information Files for all Part D plans nationwide, except special-needs plans which serve specific populations (e.g. long-term care) and may have specialized formularies. We focused on 21 inhalers in 7 treatment classes including short-acting rescue inhalers and longer-acting or preventive inhalers. For each inhaler, we averaged coverage and required out-of-pocket costs across all plans by counties and states, including Washington, D.C. For the most widely covered inhaler in each

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class, we projected yearly cost-sharing under a standard 2015 Part D benefit with a \$320 deductible, and whether beneficiaries would reach the coverage gap where cost-sharing increases after total drug expenditures exceed a set threshold. Since COPD often causes costly hospitalizations², we explored whether Part D plans which provide both medical and drug benefits (Medicare Advantage Prescription Drug Plans [MA-PD]), offered better inhaler coverage than stand-alone Part D plans (Prescription Drug Plans [PDP]).

Results:

Our national analysis included 2,652 plans (1639 MA-PD, 1013 PDP). Between 93% to 100% of plans covered at least one inhaler in each class. Mean out-of-pocket costs ranged from \$30 to \$105 per inhaler, depending on the inhaler selected (Table 1). The projected annual out-of-pocket cost under a standard 2015 Part D benefit ranged from \$494 to \$1197 for the most widely covered inhaler in each class (Figure 1). For 5 of 7 classes, using a single inhaler each month would have produced annual out-of-pocket costs \$900 and caused beneficiaries to reach the coverage gap even without other medications. Patients with moderate to severe COPD requiring two or three inhalers per month (acute rescue and/or multiple preventive classes) would have had projected annual out-of-pocket expenses of \$1,622 to \$2,811, reaching the coverage gap by August or earlier.

The vast majority (92%) of both MA-PD and PDP plans covered at least one inhaler per class, although MA-PD plans covered specific inhalers more frequently (Table 1); for 20 of 21 inhalers, the percentage of MA-PD plans providing coverage was 2% to 39% greater than PDP plans. However, MA-PD plans required higher out-of-pocket costs than PDP plans for 14 of 21 inhalers, with cost-sharing ranging from \$2 to \$46 higher per inhaler.

Discussion:

In our nationwide analysis of Medicare Part D plans, COPD inhalers were nearly universally covered but required high cost-sharing by beneficiaries. For many acute rescue and preventive inhalers, using a single inhaler each month had projected annual out-of-pocket costs \$900 under a standard 2015 Part D plan even without other medications.

Our study limitations include projecting annual cost-sharing for each inhaler based on using one inhaler per month and no other prescriptions. We did not examine actual out-of-pocket costs, which reflect a beneficiary's coverage phase when filling an inhaler prescription, which in turn is influenced by their non-COPD medication costs.

Our findings call into question whether Part D continues to adequately support beneficiaries in the face of rapidly rising drug prices. Part D plans and Medicare policy should reassess whether this high cost-sharing adversely affects inhaler adherence and health for beneficiaries with COPD.

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Figure 1. Projected Annual Out-of-Pocket Cost for COPD Inhalers Under a Standard 2015 Part D Benefit (Month Enter Coverage Gap)

Projected annual out-of-pocket costs to use 1 inhaler per month. Based on standard 2015 Part D plan with \$320 deductible and coverage gap starting at \$2960 in total drug costs.

SABA: short-acting beta agonists; SAMA: short-acting anticholinergic or muscarinic antagonists; LAMA: long-acting anticholinergic or muscarinic antagonists; LABA: long-acting beta agonists; ICS: inhaled corticosteroid

n/a - projected cost of using 1 inhaler per month does not reach coverage gap threshold.

Page 5

Tseng et al.

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b. Fewer than 1% of plans required Prior Authorizations except for arformoterol (24% of plans) and formoterol/mometasone (8% of plans).

d Most widely covered inhaler in the class.

$$e_{\text{Total cost}} = (\text{cost paid by plan}) + (\text{out-of-pocket cost paid by beneficiary})$$