

Legislation Timeline

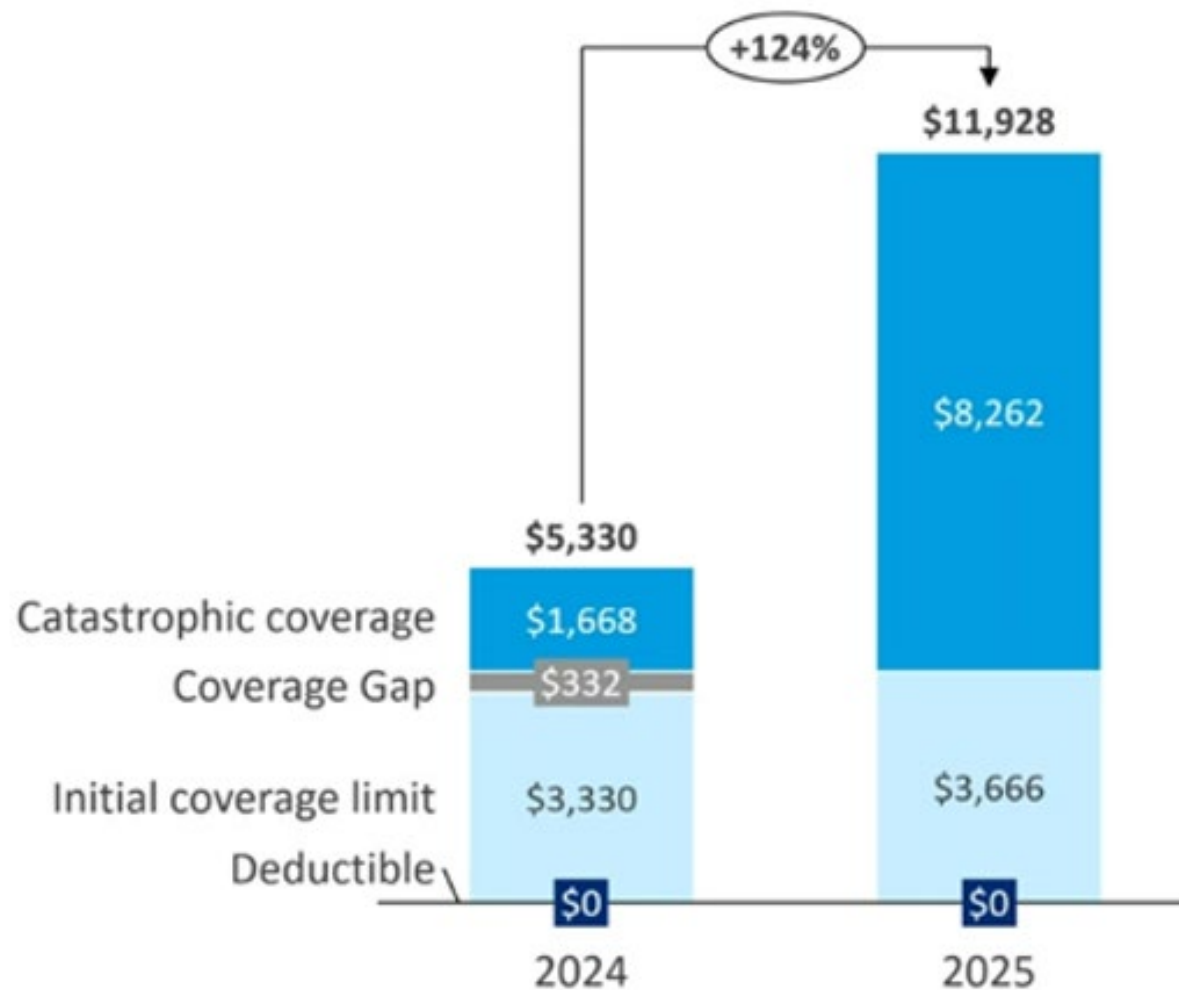
2010 – ACA Law includes 1557 provision

- Signed into law on March 23rd 2010
- Also known as Patient Protection & Affordable Care Act (PPACA)
- makes it unlawful for health care providers, including doctors' practices and hospitals that receive Federal financial assistance, to refuse to treat—or to otherwise discriminate against—an individual on the basis on their race, color, national origin, sex, age, or disability

August 2022 – Inflation Reduction Act

- 2023-
 - \$0 copay for vaccinations
 - \$35 copay on insulin
- 2024-
 - Eliminates cost sharing for Part D catastrophic coverage
- 2025
 - \$2,000 cap on prescription drugs
 - Elimination of the coverage gap
 - Shifts cost from consumers to carriers
- Goal of the IRA is to preserve the Medicare Part B trust fund

Plan spend for a \$20,000 total cost beneficiary



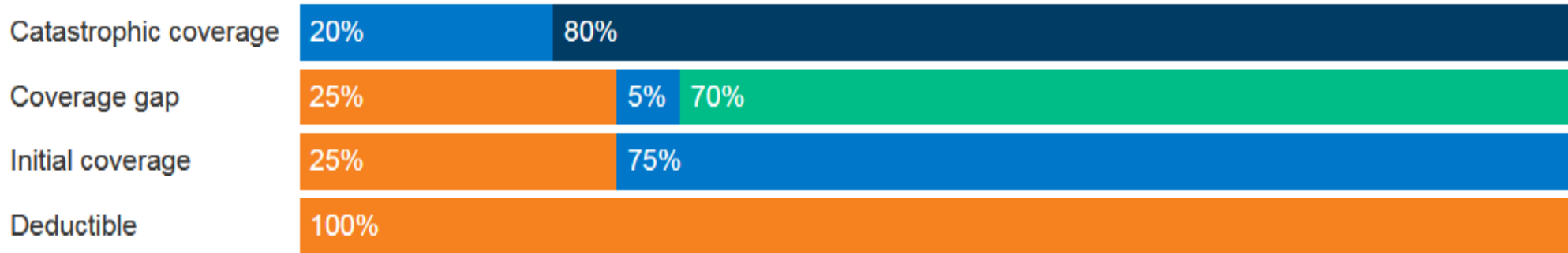
Member costs are decreasing significantly in 2025, while plan costs are going up for high-spend beneficiaries

The Share of Medicare Part D Drug Costs Paid by Enrollees, Plans, Drug Manufacturers, and Medicare Will Change in 2024 and 2025

Share of total drug costs paid by:

■ Part D enrollees
 ■ Part D plans
 ■ Drug manufacturers
 ■ Medicare

2024



2025

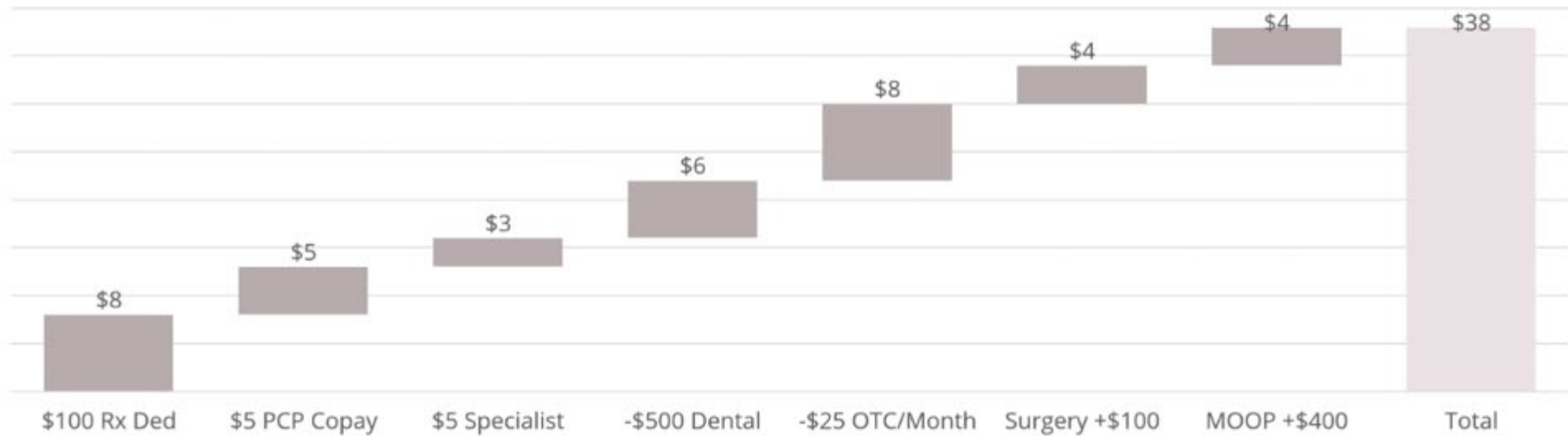


NOTE: The manufacturer discount applies to brand-name drug costs only. For generic drug costs, plans pay 75% in the coverage gap phase in 2023 and 2024, and 75% in the initial coverage phase in 2025, and Medicare will pay 40% in the catastrophic coverage phase in 2025.

SOURCE: KFF, based on Medicare Part D benefit design changes in the Inflation Reduction Act. • [PNG](#)

What does \$38 PMPM look like?

Hypothetical plan valuation of benefit changes



TrOOP Example

Scenario:

- Drug Cost - \$1,000
- Tier 3 copay - \$42
- Plan does not have a deductible
- Defined Standard Deductible - \$590
- Defined Standard Cost - Share 25%

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2024 Cost Sharing	\$42	\$42	\$42	\$42	\$42	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$1,960
2025 Cost Sharing	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$0	\$0	\$0	\$0	\$0	\$294
2025 Defined Standard	\$693	\$250	\$250	\$250	\$250	\$250	\$58						\$2,000

January TrOOP Calculation:

Deductible + Remaining Drug Cost x 25%

$$\$590 + (\$410 \times 25\%) = \$692.50$$


Gap stage entered in 2024, 25% coinsurance required. No gap in 2025, which is why it stays \$42

Catastrophic stage is reached, and all covered Part D drugs are \$0 cost share

November 2023 –
Initial Call Letter for
Final Rule Enacted.
Starts 90-day
comment period

- No House or Senate approval.

December 2023 – FCC Ruling on One-to-One Contacts

- Alters the TCPA's express written consent.
 - Prevents lead generators from obtaining consent on behalf of multiple businesses.
 - Requires consumers to select each seller to receive a call from that agent.
 - Requires one to one consent.
 - Kicks in on January 2025.
 - No House or Senate approval.
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February 2024 – Smoothing Provision added to IRA Bill

- Called Medicare Payment Prescription Program or M3P.
- Add on to Inflation Reduction Act.
- Allows consumers to make payments to carriers.
- Seniors can manage their out-of-pocket costs through capped monthly payments

Smoothing

Example

IRA \$2,000 OOP cap with smoothing mechanism

Patient: Oncology
Once-daily drug
Per-month cost: \$12,000

Total annual OOP: \$2,000



\$2,000 OOP cost vs ~\$9,987 OOP cost

April 2024 – Call Letter Becomes Final

- Basically approved as written

May 2024 – Rule 1557 to apply to Med Supps, Dental Plans

- Originally to be effective January 1, 2025. Moved to July 1, 2025
- This rule will bring back underage Medicare Supplements.
- Only applies to carriers that take Federal dollars for ACA, Medicare Advantage, and PDP plans.
- Will require carriers to offer unisex rates.

June 2024 – Chevron Doctrine overturned by SCOTUS

- Allowed agencies to change course even when congress has given them no power to do so.
- Cuts back sharply on the power of Federal Agencies to interpret the laws they administer
- Supreme Court Ruling voted 6-3 to overturn.

July 2023 –
Injunction issued by
Texas court on two
parts of Final Rule

- Two lawsuits in Texas against CMS.
- Supreme court ruled in favor of the plaintiffs.
- Courts agree that CMS Exceeded Statutory Authority

July 2024 – Premium Stabilization Demonstration on PDP project

- Enacted with no house or senate approval.
- Applies to only Part D plans.
- MAPD plans not part of this program. Carriers have other ways to reduce premium.
- Voluntary program- carriers must opt in.
- It is up to a three-year program but reality we are hearing a 1-year program.

July 2024 – Premium Stabilization Demonstration on PDP project

- For participating carriers, CMS will impose three changes
 - CMS will uniformly reduce the base beneficiary premium by \$15 or less if the reduction should cause the plan premium to drop below \$0
 - CMS will limit Part D premium increases to \$35 between the 2024 to 2025 calendar year. This limit will only take effect after the \$15 base beneficiary premium is applied.
 - CMS will alter the risk corridors between insurers and the federal government, reducing the range at which PDPs assume the full risk of any actual spending higher than their original bid amounts, while also increasing the federal government's risk share in associated plan losses to 90 percent.
- Funneling 7.2 billion to insurers
- 382% Increase in subsidies with out congressional approval.



January 17
2025 – FCC
Law kicks in



Questions?

Thank You!!

