

Options to increase the affordability of specialty drugs and biologics in Medicare Part D

ISSUE: The percentage of Medicare Part D spending made up of specialty drugs and biologics has risen rapidly. High cost sharing for those therapies may pose a financial hurdle to treatment for beneficiaries who do not receive low-income subsidies.

KEY POINTS: At the April 2019 meeting, staff will present material on two mutually exclusive policy approaches. One policy option would eliminate the coverage-gap discount and restructure the catastrophic benefit to provide better formulary incentives. The option would also improve financial protection for all enrollees. A second policy approach would apply a per-prescription cap on beneficiary cost sharing. In general, both approaches would increase the affordability of high-cost drugs and biologics for patients who use those medications, but each option has tradeoffs.

ACTION: At the April 2019 meeting, we seek Commissioners' guidance about the policy options.