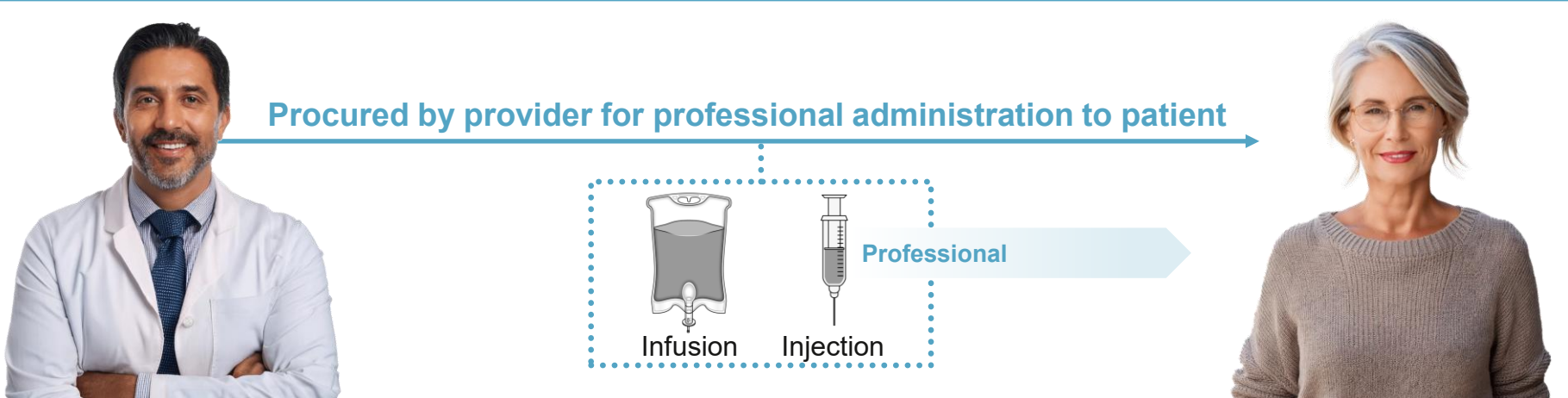


Medical or pharmacy benefit^{1,2}

Medical benefit
Commercial insurance

Part B
Medicare
Medicare Advantage

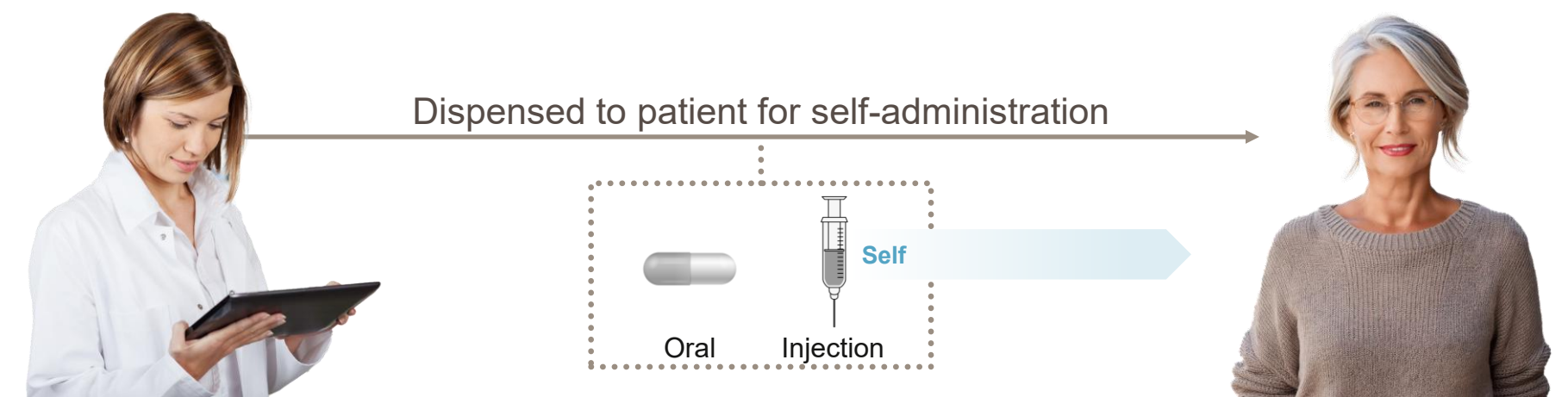


Procured by provider for professional administration to patient

Infusion Injection Professional

Pharmacy benefit
Commercial insurance

Part D
Medicare
Medicare Advantage



Dispensed to patient for self-administration

Oral Injection Self

Note: While this framework generally holds true, some payers may cover infusions (especially specialty drugs procured through a specialty pharmacy) under the pharmacy benefit.³

1. Armada. Accessed October 20, 2025. https://pocp.com/wp-content/uploads/PDF/Armada_Specialty_Summit2016.pdf 2. Avalere. Accessed October 20, 2025. <https://www.slideserve.com/elsa/overview-of-coverage-of-drugs-under-the-medicare-medical-benefit> 3. National Council for Prescription Drug Programs. Accessed October 20, 2025. <https://ncdpd.org/NCPDP/media/pdf/WhitePaper/NCPDP-Specialty-Pharmacy-Benefit-Coverage-Identification-White-Paper.pdf>

Medical necessity



Medical necessity: Refers to a decision by a health plan that a treatment, test, or procedure is necessary for health or to treat a diagnosed medical condition.¹

Coverage

Health insurance companies provide coverage only for health-related services that they define or determine to be medically necessary.^{1,2}

They will look for evidence supporting the medical necessity of therapy:

- Information about the patient's medical condition and history
- A physician's statement or Letter of Medical Necessity
- Supporting literature (eg, peer-reviewed studies and compendia monographs)
- Prescribing Information
- Availability of other treatment alternatives



Reach out to each payer to establish medical necessity:

- Guidance on covered diagnoses
- Documentation requirements
- Limitations of coverage for specific services

1. National Association of Insurance Commissioners. Accessed October 20, 2025. <https://content.naic.org/sites/default/files/consumer-health-insurance-what-is-medical-necessity.pdf> 2. ReferralMD. Accessed October 20, 2025. <https://getreferralmd.com/prior-authorization-problems-healthcare-2>



What is a deductible?¹



Deductible: A preset, fixed amount that the patient is required to pay before insurance starts to pay.

How does a deductible work?

In this case, the patient will have to pay the first \$4,000 of the bill, which represents the deductible.

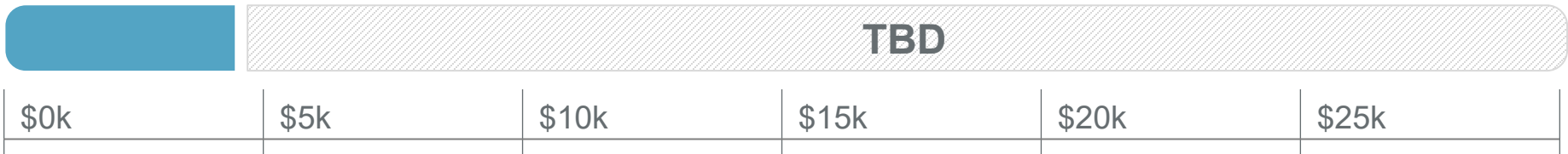


Patient pays



Insurance pays

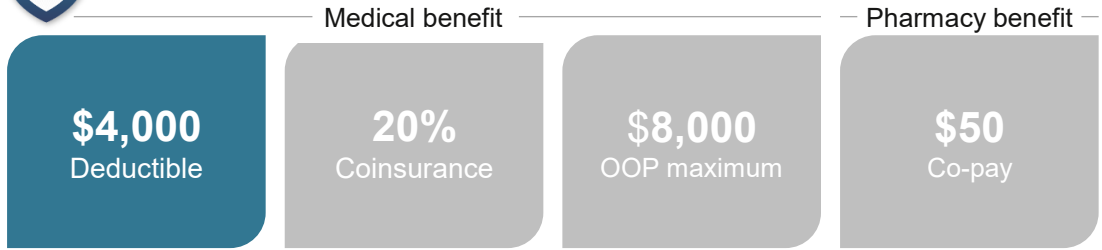
\$4,000
(100% of deductible)



Total annual drug cost:
\$30,000



Sample insurance plan benefits:



In this example, the patient has a \$4,000 deductible.

1. CMS Product 11813. From Coverage to Care: A Roadmap to Better Care and a Healthier You. Accessed October 20, 2025. <https://www.cms.gov/files/document/c2c-roadmap-better-care.pdf>



What is coinsurance?¹



Coinsurance: An amount (usually a percentage) that a patient pays as the patient's share of the cost. Typically, this is paid after the patient's deductible.

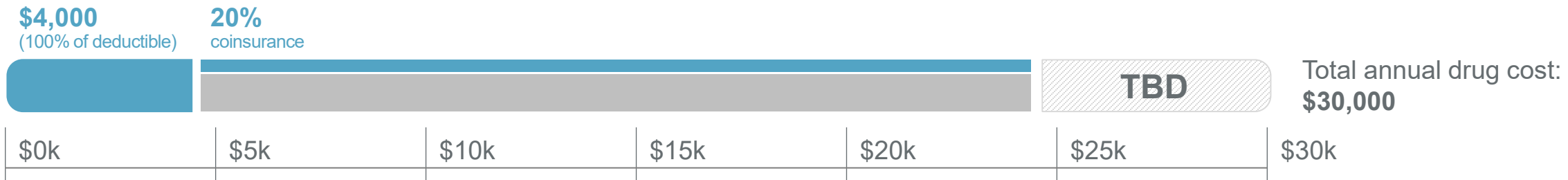
How does coinsurance work?
 In this case, the patient will have to pay \$1,000 for every \$4,000 paid by the insurance company (20% coinsurance).

Sample insurance plan benefits:

Medical benefit		Pharmacy benefit	
\$4,000 Deductible	20% Coinsurance	\$8,000 OOP maximum	\$50 Co-pay

Patient pays Insurance pays

In this example, the patient has 20% coinsurance.



1. CMS Product 11813. From Coverage to Care: A Roadmap to Better Care and a Healthier You. Accessed October 20, 2025. <https://www.cms.gov/files/document/c2c-roadmap-better-care.pdf>

What is an out-of-pocket (OOP) maximum?¹



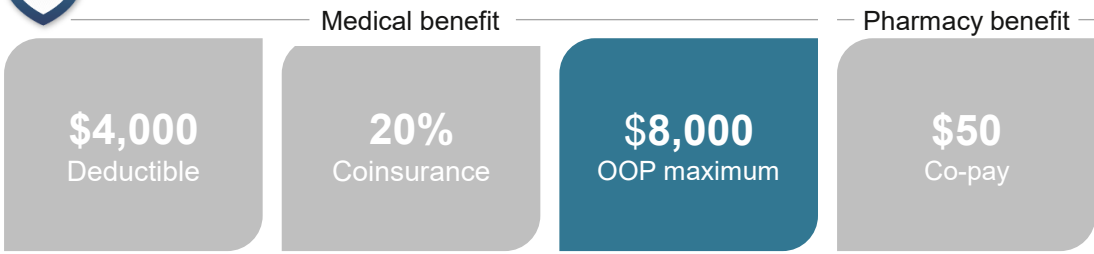
OOP maximum: The maximum amount, or cap, that a patient pays out of pocket as the patient's share of the cost.

How does an OOP maximum work?

In this case, the patient will pay the \$4,000 deductible, and \$4,000 in coinsurance, which puts them at the OOP maximum of \$8,000.



Sample insurance plan benefits:

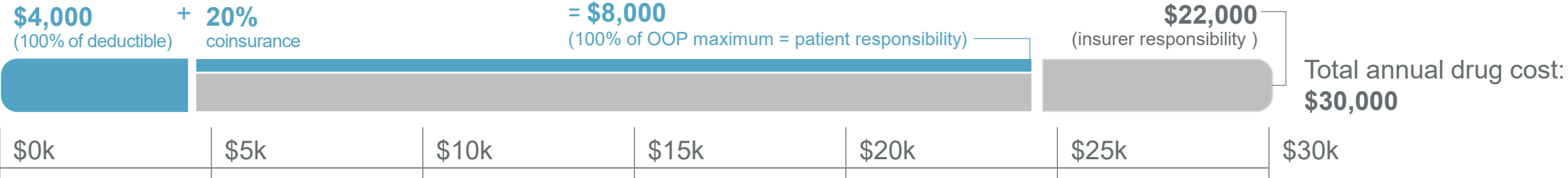


Patient pays



Insurance pays

In this example, the patient has an \$8,000 OOP maximum.



1. CMS Product 11813. From Coverage to Care: A Roadmap to Better Care and a Healthier You. Accessed October 20, 2025. <https://www.cms.gov/files/document/c2c-roadmap-better-care.pdf>



What is a co-pay?¹



Co-pay: A preset fixed amount that a patient pays for a service (ie, office visit) or prescription drug (ie, biologic injection). Once a co-pay is paid, an insurer typically covers the balance of the covered expenses.

How does a co-pay work?

In this case, the patient will pay \$50 per fill for the biologic medications. Note that co-payments may not count toward the deductible.



Sample insurance plan benefits:

Medical benefit			Pharmacy benefit
\$4,000 Deductible	20% Coinsurance	\$8,000 OOP maximum	\$50 Co-pay

In this example, the patient has a \$50 specialty tier co-pay.

Total annual drug cost: \$30,000	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Co-pay	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600

1. CMS Product 11813. From Coverage to Care: A Roadmap to Better Care and a Healthier You. Accessed October 20, 2025. <https://www.cms.gov/files/document/c2c-roadmap-better-care.pdf>



Cost support programs*

For patients with private or commercial insurance

Many pharmaceutical manufacturers offer cost support programs to assist commercially insured patients with medication affordability. These programs commonly offer a “may pay as little as...” per fill, usually with maximum program benefits each calendar year.

Program key terms

Medical benefit *(commercial insurance)*

Savings program



Usually refers to programs for drugs covered under the medical benefit

Pharmacy benefit *(commercial insurance)*

Co-pay card



Usually refers to programs for drugs covered under the pharmacy benefit

*Not valid for patients using Medicare, Medicaid, or any government-funded programs to pay for their medications.

Patient assistance diversion programs



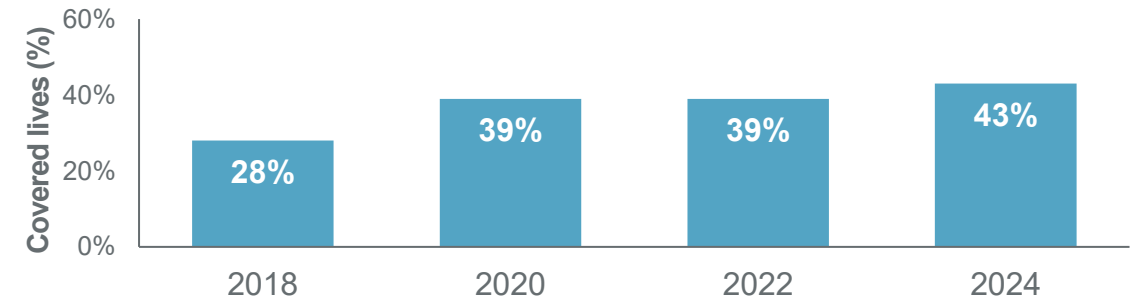
Patient assistance diversion programs: Reduce the amount insurance companies pay for certain medications by diverting the full amount of assistance available and not allowing it to count toward a patient’s deductible or total OOP cost.¹

Insurance plans may auto-enroll patients or prompt them to opt in to these programs.

Co-pay accumulator

Does not allow patient assistance to count toward the patient’s deductible and OOP maximum until the maximum value of any patient assistance is reached. Then the patient’s OOP costs begin counting toward their annual deductible and OOP maximum.^{2,3}

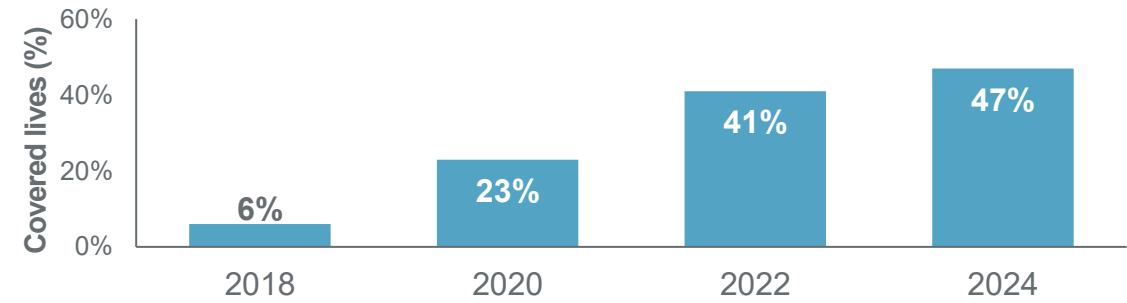
Co-pay accumulator implemented in plan designs⁴



Co-pay maximizer

Does not allow patient assistance to count toward the patient’s deductible and OOP maximum. Maximizer programs take the maximum value of patient assistance for a year and apply that maximum throughout the plan year, either by distributing the maximum amount evenly or by taking larger amounts early in the year and tapering accordingly, without allowing any of those amounts to count toward a patient’s annual deductible or cost-sharing limits under the plan.²

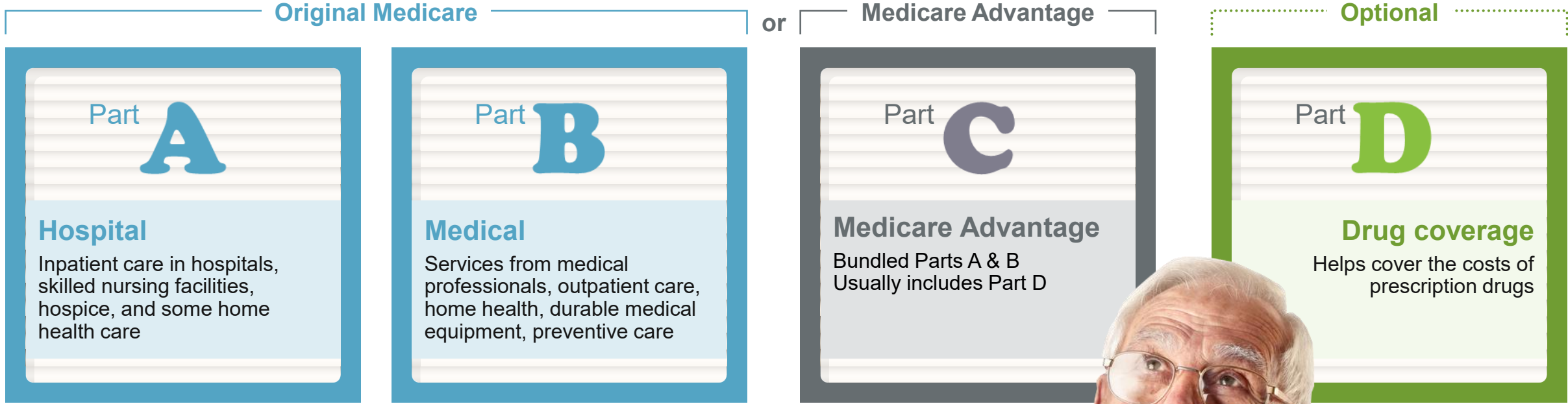
Co-pay maximizer implemented in plan designs⁴



These programs may also result in access delays given the complexity of the enrollment processes.⁴

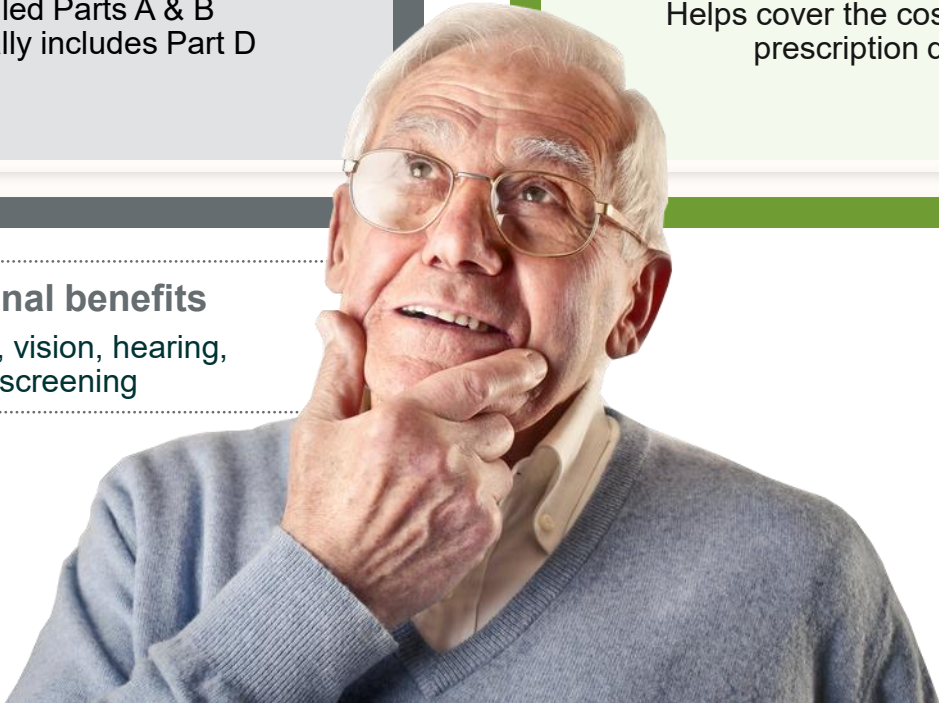
OOP=out-of-pocket.
1. Drug Channels. Accessed December 19, 2025. <https://www.drugchannels.net/2024/02/copay-accumulator-and-maximizer-update.html> 2. KFF. Accessed December 19, 2025. <https://www.kff.org/health-costs/copay-adjustment-programs-what-are-they-and-what-do-they-mean-for-consumers> 3. Drug Channels. Accessed December 19, 2025. https://www.drugchannelsinstitute.com/files/Fein-BIO2018_Day2_page31.pdf 4. Drug Channels. Accessed September 2, 2025. <https://www.drugchannels.net/2025/02/why-plan-sponsors-and-pbms-are-still.html>

The ABCDs of Medicare¹



Medigap (optional)
Supplemental insurance for original Medicare*

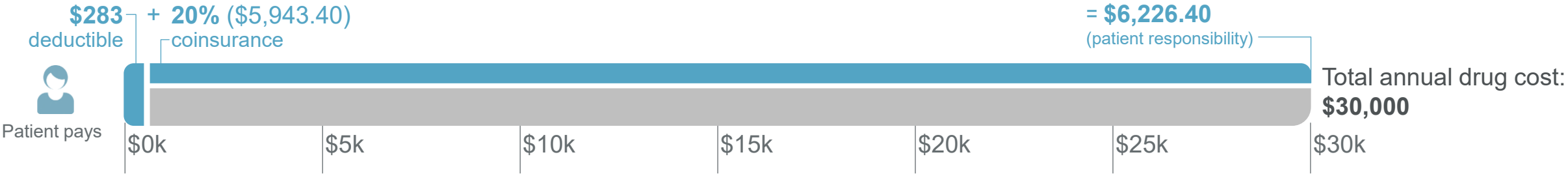
Optional benefits
Dental, vision, hearing, health screening



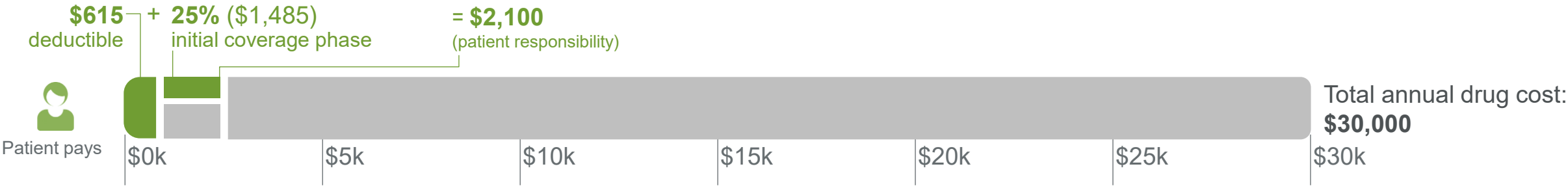
*Medigap policies may not be used with Medicare Advantage (Part C) or with Part D.
1. CMS. Medicare and You 2026. Accessed October 20, 2025. <https://www.medicare.gov/publications/10050-medicare-and-you.pdf>

Drug cost sharing in Medicare Part B and Part D¹⁻³

Medicare Part B (medical) (2026)



Medicare Part D (drug coverage) (2026)



1. CMS. Medicare and You 2026. Accessed October 20, 2025. <https://www.medicare.gov/publications/10050-medicare-and-you.pdf> 2. CMS. 2026 Medicare Parts A & B Premiums and Deductibles. Accessed December 19, 2025. <https://www.cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles> 3. CMS. Final CY 2026 Part D Redesign Program Instructions. Accessed October 20, 2025. <https://www.cms.gov/files/document/final-cy-2026-part-d-redesign-program-instruction.pdf>

Cost sharing in Medicare Part B with Medigap plans^{1,2}

Medicare Part B (medical) (2026)



Plans	C & Standard F*	A, B, D, G,† M, N	K	L
Part B deductible ³	100%			
Part B coinsurance ³	100%	100%	50%	75%
OOP maximum ⁴			\$8,000	\$4,000
Patient responsibility	\$0	\$283	\$3,254.70	\$1,768.85

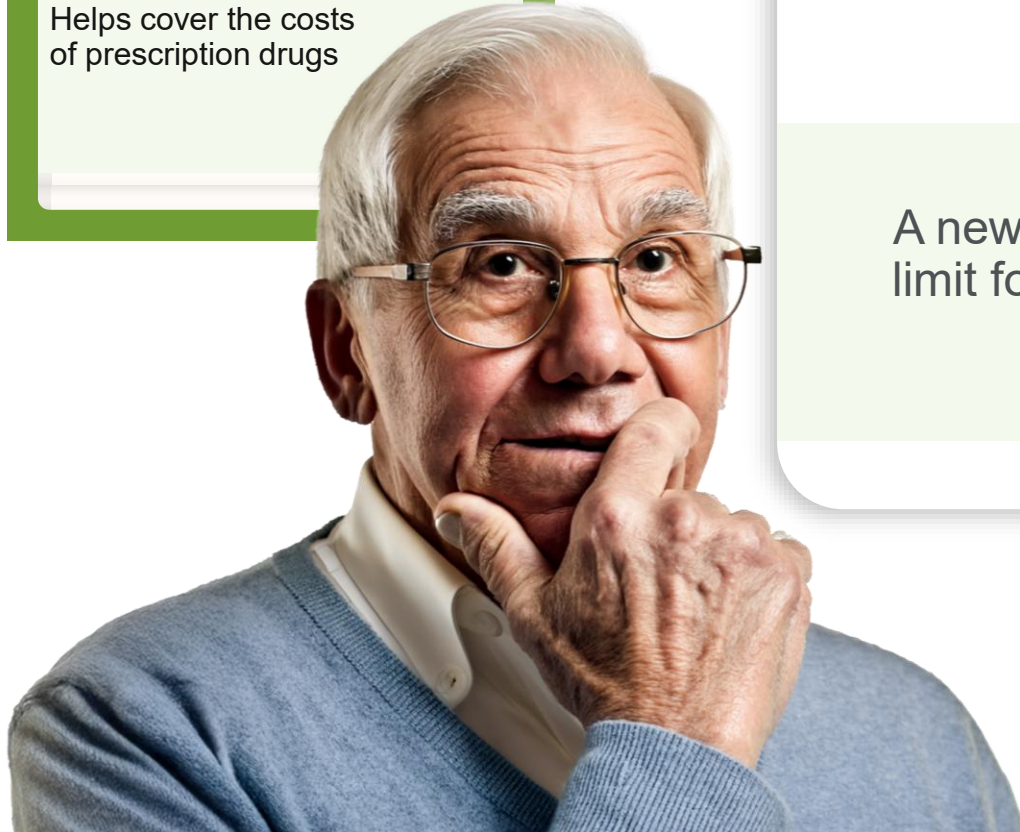
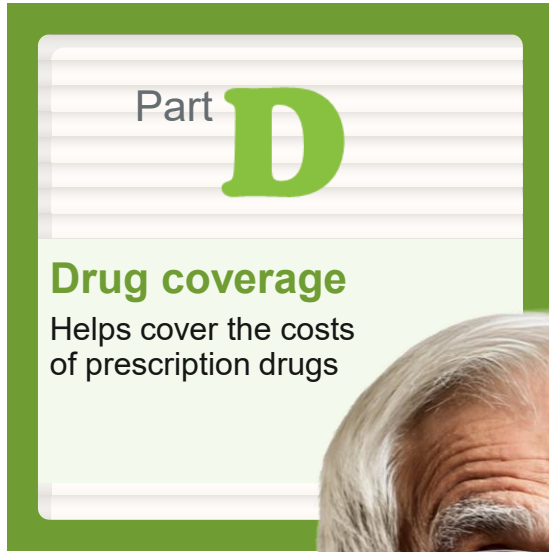
*Excludes high-deductible Plan F. Plan C and Standard F are being phased out and are no longer available to new enrollees.

†Excludes high-deductible Plan G.

OOP=out-of-pocket

1. CMS. Medicare and You 2026. Accessed December 19, 2025. <https://www.medicare.gov/publications/10050-medicare-and-you.pdf> 2. CMS. 2026 Medicare Parts A & B Premiums and Deductibles. Accessed December 19, 2025. <https://www.cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles> 3. AHIP. State of Medicare Supplemental Coverage. Accessed December 19, 2025. https://ahiporg-production.s3.amazonaws.com/documents/202505-AHIP_MedicareSuppCvg-1.pdf 4. CMS. K & L Out-of-Pocket Limits Announcements. Accessed December 19, 2025. <https://www.cms.gov/medicare/health-drug-plans/medigap/k-l-out-of-pocket-limits-announcements>

Medicare Part D drug coverage in 2026



\$2,100

A new annual patient cost limit for prescription drugs under Part D¹

Medicare Prescription Payment Plan (MPPP)

A monthly payment plan for prescription drugs under Part D²


Medicare Part D is a Centers for Medicare & Medicaid Services (CMS) program to help cover costs of patient-administered prescription drugs (medications usually taken at home).

1. CMS. Final CY 2026 Part D Redesign Program Instructions. Accessed October 20, 2025. <https://www.cms.gov/files/document/final-cy-2026-part-d-redesign-program-instruction.pdf> 2. CMS. Fact Sheet: Medicare Prescription Payment Plan. Accessed October 20, 2025. <https://www.cms.gov/files/document/medicare-prescription-payment-plan-fact-sheet.pdf>

Medicare Prescription Payment Plan (MPPP)

Optional program offered by all Medicare plans for patients with Part D coverage.* For patients who enroll, their Part D prescriptions costs will be spread over the year and paid in monthly installments.¹

WHEN
? Patients may enroll at anytime during the year^{1,2}:




2026

HOW
? Patients must enroll directly through their **Medicare plan** (enrollment is not automatic)¹


Patients can enroll in different ways, such as¹:

- ✓ Paper enrollment
- ✓ Website forms
- ✓ Toll-free number



Patients may also opt out anytime

It is free to enroll, and there are NO interest or late fees

 **Note: point-of-sale enrollment was proposed but is not in 2026; CMS will explore this as a requirement for future years.**

*Health plans that only charge \$0 for prescriptions do not have to provide the payment option.
CMS=Centers for Medicare & Medicaid Services.
MPPP=Medicare Prescription Payment Plan; CMS=Centers for Medicare & Medicaid Services.

1. Medicare Prescription Payment Plan: Final Part Two Guidance. Accessed October 20, 2025. <https://www.cms.gov/files/document/medicare-prescription-payment-plan-final-part-two-guidance.pdf> 2. Federal Register. Medicare and Medicaid Programs; Contract Year 2026 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly. Accessed October 20, 2025. <https://www.federalregister.gov/documents/2025/04/15/2025-06008/medicare-and-medicare-programs-contract-year-2026-policy-and-technical-changes-to-the-medicare>

What happens if a patient does not make their monthly payment?

It is important for patients to make their MPPP payments on time; there are steps in place to help a patient remain in the program if they want to and if they pay overdue amounts.

Grace period¹



- Medicare plans must provide a grace period of **at least 2 months** for a patient to pay their overdue balance to remain in the program
- After the grace period ends, a patient is considered to have “failed to pay” and the Medicare **plan may terminate their enrollment in MPPP**

Potential reinstatement



- Medicare plans must reinstate enrollment if a patient demonstrates “**good cause**” for failure to pay and pays all **overdue amounts billed**¹
- “Good cause” criteria include prolonged hospitalization and is detailed in CMS Guidance²



A patient **cannot be disenrolled from their Medicare plan** for failure to pay their MPPP bill

If a patient is voluntarily or involuntarily disenrolled from MPPP, they can pay their full balance as an optional lump sum or in monthly installments. They will pay any new prescription costs directly to the pharmacy.¹

CMS=Centers for Medicare & Medicaid Services; MPPP=Medicare Prescription Payment Plan.

1. CMS. Fact Sheet: Medicare Prescription Payment Plan. Accessed September 19, 2025. <https://www.cms.gov/files/document/medicare-prescription-payment-plan-fact-sheet.pdf> 2. Medicare Prescription Payment Plan: Final Part One Guidance. Accessed September 19, 2025. <https://www.cms.gov/files/document/medicare-prescription-payment-plan-final-part-one-guidance.pdf>