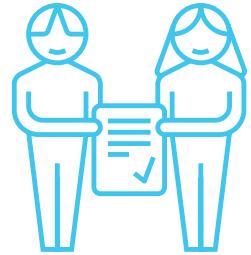


Medicare Prescription Payment Plan (MPPP) (cont'd)



Participation in MPPP (also referred to as “smoothing”) is not required. Patients enroll in MPPP before the beginning of 2025 or in any month during the year. Beneficiaries can contact their Part D plans to learn more about how to enroll in the program.³

MPPP is free to join, so there are no fees or interest charged under the program. The program does not lower the amount of cost-sharing owed for medications.³

Below is an example showing how the MPPP can help a patient with high OOP costs.⁸ In this example, the patient is on multiple high-cost medications starting in January.

2024

- Total OOP costs for buying branded medications in January are \$3300.*
- In 2024, the patient will meet the Medicare OOP catastrophic threshold (which is estimated at approximately \$3300 per year for enrollees who only take brand name drugs) and won't have any more OOP costs for the rest of the benefit year.

2025

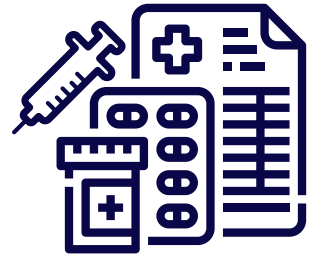
- In 2025, the patient will meet the new Medicare OOP cap (\$2000 per year) in January.
- If enrolled in the MPPP at the start of the year, the \$2000 OOP would be “smoothed” out over equal monthly payments of \$166.67 per month instead of \$2000 in January.
- The patient will not pay a monthly payment when buying the medication but instead will be billed by their Part D plan.[†]
- *If not enrolled in MPPP, this patient would be required to pay \$2000 in January when their prescriptions are filled.[‡]*

*Total OOP costs do not include premiums. OOP costs are based on standard Medicare Part D benefit design. Benefit designs and OOP costs will vary depending on Part D plan.

[†]Actual monthly payments may vary based on the OOP expense incurred and the month the beneficiary enrolled in MPPP.

[‡]MPPP is not available in 2024. The plan is available starting in 2025.⁸

Improvements to the low-income subsidy (LIS) program



If Medicare considers patients to be low-income, they may be eligible for LIS, also known as Extra Help. This program can help pay for prescription drugs and may lower the costs of Medicare prescription drug coverage.^{3,4}

Starting in 2024, patients earning below 150% of the Federal Poverty Level (FPL)* and meeting all the requirements[†] will qualify for full benefits.^{3,4}

*For the contiguous United States including the District of Columbia, a yearly income of \$46,800 for a family of four.⁹

[†]Patients qualify for full subsidy if they have Medicare and Medicaid (ie, "dual eligible"), receive Supplemental Security Income (SSI), have limited income at or below 150% of the FPL, and their resources do not exceed Social Security Administration (SSA) limitations.¹⁰

Terms Used for Medicare Coverage¹¹

Beneficiary: A person who has healthcare insurance through a health insurance or plan. A beneficiary may also be called an enrollee.

Benefit design: The process of setting the level of coverage or type of service in a medical or pharmacy benefit.

Catastrophic coverage: Under Medicare Part D, after a patient's total drug costs reach a certain amount (eg, coverage gap limit), the patient pays a small or no cost-share for covered medications until the end of the calendar year.

Cost-sharing: A payment method in which a person is required to pay a portion of costs for healthcare services or products. Cost-sharing includes deductibles, coinsurance, and copayments, but not premiums.

Deductible: An amount paid for medical services or prescription drugs in a plan year before insurance starts to pay for services or medicines.

Coinsurance: A percentage of the costs for services or medicines paid by the patient after they have paid their deductible.

Copay: A set amount paid by the patient for each medical service or prescription (eg, \$5.00 per generic prescription, \$10.00 per brand-name prescription). A copay is usually paid when the service or product is provided.

Out-of-pocket (OOP) costs: Costs paid for medical care, medicines, and other healthcare services, including coinsurance, copayments, and deductibles.

Premium: An amount a patient pays for health insurance every month or year.



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^aSubject to eligibility and program terms and conditions; ViiVConnect programs do not constitute health insurance.

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