

December 23, 2022

RE: Inflation Reduction Act

The Inflation Reduction Act (IRA) was signed into law on August 16, 2022. Effective January 1, 2023, the IRA imposes a statutory maximum beneficiary cost sharing amount of \$35 per one-month supply for Medicare Part D-covered insulins and \$0 for Medicare Part D-covered adult vaccines recommended by the Advisory Committee on Immunization Practices (ACIP). In both cases, no deductible is applied.

Medicare Part D-covered insulins

- Maximum beneficiary cost sharing amount of \$35 per one-month supply for Medicare Part D covered insulins. The definition of a one-month supply varies between plans.
- A three-month supply for covered insulin(s) cannot exceed a maximum beneficiary cost share amount of \$105 (\$35x3).
- The law allows a grace period of 90 days for Medicare Part D plans to implement the monthly maximum of \$35 for insulin. If a plan is unable to implement the maximum beneficiary cost share provision for insulin during this grace period, the plan's normal cost share will be returned on the claim and the plan is required to refund the difference to the beneficiary.

Pharmacies do not need to take any action on these claims.

If a Medicare enrollee asks why the cost share is not capped at \$35 for insulin, the patient can be informed that if their insulin is covered under their Medicare Part D benefit, the Medicare Part D plan will reimburse the patient the difference within 30 days. Pharmacies and beneficiaries do not need to take any action on these insulin claims.

Medicare Part D-covered adult vaccines

- If any ACIP-recommended vaccine is not capped at \$0 for a patient who is over 18 years of age, please call Navitus Customer Care at (866) 270-3877.
- The law does not include a similar grace period for Part D vaccines.

Thank you,

Navitus Provider Relations