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CMS Releases New 2023 Part B IRA Requirements

On November 7, 2022 CMS released a significant memo regarding details and new requirements around the Inflation Reduction Act of 2022 (IRA) provisions applicable for 2023 regarding cost sharing for Part B drugs. This follows earlier memos regarding Part D details and new requirements. Due to the needed changes and CMS' recognition of the difficulty around implementation for plans, for Part B IRA requirements, there are two distinct time frames for each of the two areas impacted: Part B Rebatable Drug Coinsurance Adjustment and Part B Insulin Cost Sharing Cap.

A summary of the timeframe and requirements is provided below:

1) Part B Rebatable Drug Coinsurance Adjustment

- a. When is this effective? April 1, 2023.
- b. What does this mean? This applies to Part B drugs with prices increasing faster than inflation. "Chemotherapy administration services to include chemotherapy/radiation drugs" or "Other drugs covered under Part B of original Medicare" listed in § 422.100(j)(1)(i). It does NOT apply to insulin, that is addressed below.
- c. How will these drugs be identified? CMS will publish the adjusted beneficiary coinsurance for each Part B rebatable drug in the quarterly pricing files posted on the CMS website, as a 0-20% effective coinsurance of the Medicare-approved payment amount.
- d. What do plans need to do?
 - i. Ensure cost sharing does not exceed Medicare allowable. Plans must download the Average Sales Price (ASP) quarterly files here
<https://www.cms.gov/medicare/medicare-fee-for-service-part-b-drugs/mcrpartbdrugavgsalesprice>
 - ii. Ensure cost share is at or below that Medicare approved payment amount. This must be reviewed quarterly as it may change! If the plan is at or below that amount nothing further is needed.
 - iii. Enrollees must have the cost adjusted at the point of sale (POS) or be given a refund if they paid more than the allowed amount. The refund process is for 2023 only as CMS realizes there is limited time to implement POS fully.
 - iv. Update enrollee communications
 1. CMS will not have the MPF adjusted; it will continue to reflect the bid for now.
 2. Plans must communicate changes due to the IRA provisions. Plans can use errata, an addendum, other notices and update the website to communicate these changes. Plans will not be required to resubmit to CMS.



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2) Part B Insulin Cost Sharing Cap

- a. When is this effective? July 1, 2023.
- b. What does this mean? Insulin furnished under Part B, through an item of durable medical equipment covered under section 1861(n) (i.e., a medically necessary traditional insulin pump), is subject to a beneficiary coinsurance cap for a month's supply of such insulin that does not exceed \$35 and the Medicare Part B deductible does not apply.
- c. How will impacted insulin be identified?
 - i. Plans will follow their process for B vs D coverage of insulin. Those covered under part B must be assigned no more than \$35 cost share for a month's supply of insulin.
- d. What do plans need to do?
 - i. Ensure cost sharing does not exceed \$35 for a month's supply of insulin, regardless of the DME used to administer the drug or if purchased POS.
 - ii. Ensure claims system is configured to not apply a service category or deductible when an insulin pump is billed.
 - iii. Update enrollee communications
 1. CMS will not have the MPF adjusted; it will continue to reflect the bid for now.
 2. Plans must communicate changes due to the IRA provisions. Plans can use errata, an addendum, other notices and update the website to communicate these changes. Plans will not be required to resubmit to CMS.

BluePeak Advisors is an industry leader in Medicare operations and supports plans with annual configuration and benefit testing, claims monitoring and oversight. With all the IRA changes for 2023, BluePeak recommends plans implement additional support and oversight of all provisions, both pre- and post-go live, to ensure enrollees are receiving the appropriate benefits and the plan sponsor is compliant with all CMS rules and regulations. Please send us an email at info@bluepeak.com for assistance with implementing and/or monitoring these 2023 changes.