

Issue Brief

FEDERAL ISSUE BRIEF



Analysis provided for MHA by Larry Goldberg, Goldberg Consulting

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CMS Releases Revised Guidance For The Medicare Prescription Drug Inflation Rebate Program

The Centers for Medicare and Medicaid Services (CMS) have issued revised guidance for the Medicare Prescription Drug Inflation Rebate Program. The **Inflation Reduction Act** (IRA) requires drug companies to pay rebates to Medicare when prescription drug prices increase faster than the rate of inflation for certain drugs furnished to people with Medicare. This new inflation rebate applies to Medicare Part B rebatable drugs, which are single source drugs and biological products, including certain biosimilar biological products, beginning January 1, 2023.

The federal government intends to invoice drug manufacturers for 2023 and 2024 Part B inflation rebates no later than fall 2025. The rebates will be deposited into the Medicare Trust Fund. In addition, beginning April 1, 2023, people with Medicare may see lower out-of-pocket costs for certain Part B drugs and biologicals with prices that have increased faster than the rate of inflation. For these drugs and biologicals, the beneficiary coinsurance will be 20 percent of the inflation-adjusted payment amount, which will be less than what the beneficiary would pay in coinsurance otherwise.

CMS posts payment information each quarter for separately payable Part B drugs, including the Part B rebatable drugs subject to the coinsurance adjustments, in the Medicare Part B Quarterly Sales Pricing (ASP) files, which are publicly available on CMS.gov. The January 2024 ASP public files will also include the coinsurance adjustments for certain Part B rebatable drugs as required by the IRA. The Part B drugs impacted by a coinsurance adjustment may change quarterly.

CMS also released the list of prescription drugs for which Part B beneficiary coinsurances may be lower between January 1, 2024 – March 31, 2024. Some people with Medicare who take these drugs may save between \$1 and \$2,786 per average dose starting January 1, 2024, depending on their individual coverage.

Below is the list of drugs with adjusted coinsurance amounts for the quarter January 1 – March 31, 2024.

HCPCS Code	Short-Description	Inflation Adjusted Co-Insurance (Normally 20.000%)
J0287	Abelcet	19.790%
J9042	Adcetris	19.172%
J8655	Akynzeo	18.035%
J7504	Atgam	15.373%
J0898	Argatroban (Auromedics)	7.418%
J3145	Aveed	19.266%
J0558	Bicillin C-R	16.010%
J0561	Bicillin L-A	16.342%
J9039	Blincyto	19.633%
J9046	Bortezomib (Dr. Reddy's)1	9.293%
J9048	Bortezomib (Fresenius Kabi)	9.293%
J0703	Cefepime (B. Braun) 2	8.381%
J0701	Cefepime (Baxter)	7.832%
J2850	Chirhostim	19.477%
J0584	Crysvita	19.448%
J0850	Cytogam	19.659%
J7503	Envarsus XR	19.812%
J1456	Fosaprepitant (Teva)	17.596%

HCPCS Code	Short-Description	Inflation Adjusted Co-Insurance (Normally 20.000%)
J1645	Fragmin	11.594%
J9394	Fulvestrant (Fresenius Kabi)	12.170%
J1460	Gamastan (1 cc)3	19.987%
J1560	Gamastan (over 10 cc)	19.987%
J9196	Gemcitabine (Accord)	10.588%
J1670	Hypertet	19.547%
J9325	Imlygic	19.837%
90376	Imogam Rabies-HT	15.060%
Q2042	Kymriah	19.455%
J2820	Leukine	19.509%
J1950	Lupron Depot-Ped	19.532%
J2184	Meropenem (B. Braun)	9.059%
J2265	Minocin	18.973%
J9266	Oncaspar	19.531%
J9177	Padcev	19.392%
J1640	Panhematin	19.715%
J9314	Pemetrexed (Teva)	13.739%
J0897	Prolia	19.453%
J9318	Romidepsin (non-lyophilized)	19.658%
J2502	Signifor LAR	18.272%
C9482	Sotalol (Altathera)	19.843%
J2860	Sylvant	19.132%
J9262	Synribo	19.536%
J7197	Thrombate III	18.100%
J3250	Tigan	19.888%
J2186	Vabomere	19.713%
J3372	Vancomycin (Xellia)	9.021%
90396	Varizig	19.998%
J9303	Vectibix	19.948%
J0775	Xiaflex	19.187%
J0291	Zemdri	19.775%

1 The drugs in HCPCS codes J9046 and J9048 (Bortezomib) are not therapeutically equivalent.
 2 The drugs in HCPCS codes J0701 and J0703 (Cefepime) are not therapeutically equivalent.
 3 Gamastan (J1460 and J1560) is the same drug in two HCPCS codes.
 The above list identifies 49 drugs that will be subject to lower co-insurance payments. None-the-less, CMS says the list only identifies 48 such drugs. Note the footnote above. Gamastan is represented in two HCPCS codes.

Comment

The entire Part B revised guidance material is contained in a 92-page report which is available at:
<https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbi9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpbGljayIsInVybCI6Imh0dHBzOi8vd3d3LmNtcy5nb3YvZmlsZXMvZG9jdW1lbnQvbWVkaWNhcmUtcGFydC1iLWluZmxhdGlvbi1yZWJhdGUtcHJvZ3JhbS1yZXZpc2VklWd1aWRhbmNlLnBkZiIsImJ1bGxldGluX2lkIjoimjAyMzEyMTQuODcxMTk2NTEifQ.kOL4u26LPZI4C WRnUfHnvFAjDBAb1qf-rbMO3qLZ7Y/s/77014430/br/233041902121-1>