



NATIONAL ASSOCIATION OF
Community Health Centers®

November 2024 340B Office Hours

Medicare PrEP Coverage Change,
Medicare Prescription Payment Plan
& IRA Negotiated Drugs Analysis

November 21, 2024



Welcome! Housekeeping

- Today's meeting is being recorded.
- The recording and additional resources will be made available to all registrants.
- A copy of the slides will be sent from regulatoryaffairs@nachc.org after the event.

Overview

Discussion around PrEP Coverage Change from Medicare Part D to Part B – CMS Staff

Q&A on PrEP Coverage Change

IRA Medicare Negotiated Drugs Analysis – Hannah Rowell, Draffin Tucker

Medicare Prescription Payment Plan – Lisa Nelson, Unity Care Northwest

Q&A on MPPP & Drug Analysis

Wrap Up – Elizabeth Linderbaum

Visit the PrEP for HIV & Related Preventive Services Page

[CMS.gov/medicare/coverage/prep](https://www.cms.gov/medicare/coverage/prep)



PrEP Coverage Change

Update from CMS on PrEP Coverage
Change from Medicare Part D to Part
B

Questions?

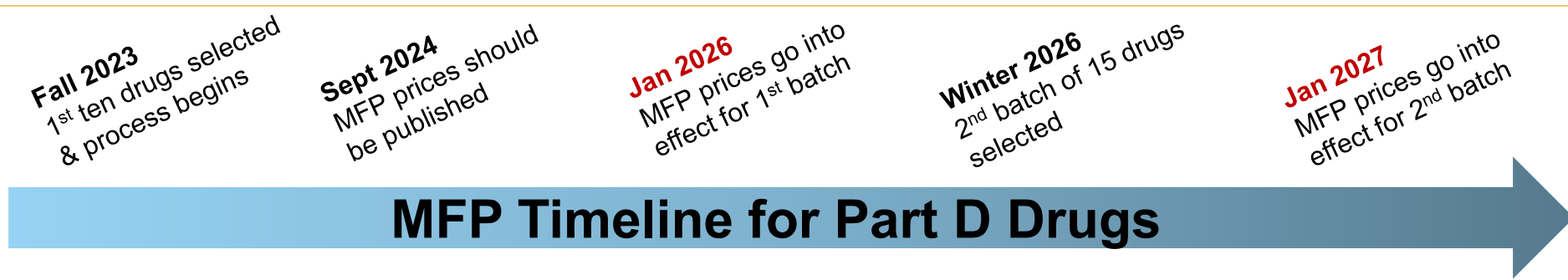
Email:
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Medicare Price Negotiation

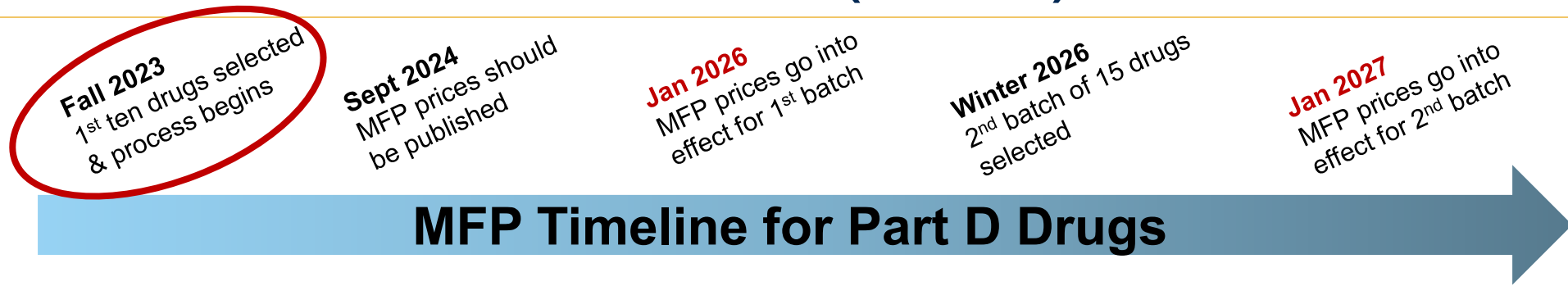


IRA: Maximum Fair Price (MFP)



- A signature element of the Inflation Reduction Act (IRA) is Medicare’s ability to negotiate drug prices.
 - This means that Medicare will pay significantly less for these newly negotiated drugs.
 - According to the CBO, this provision will save the government many billions of dollars.

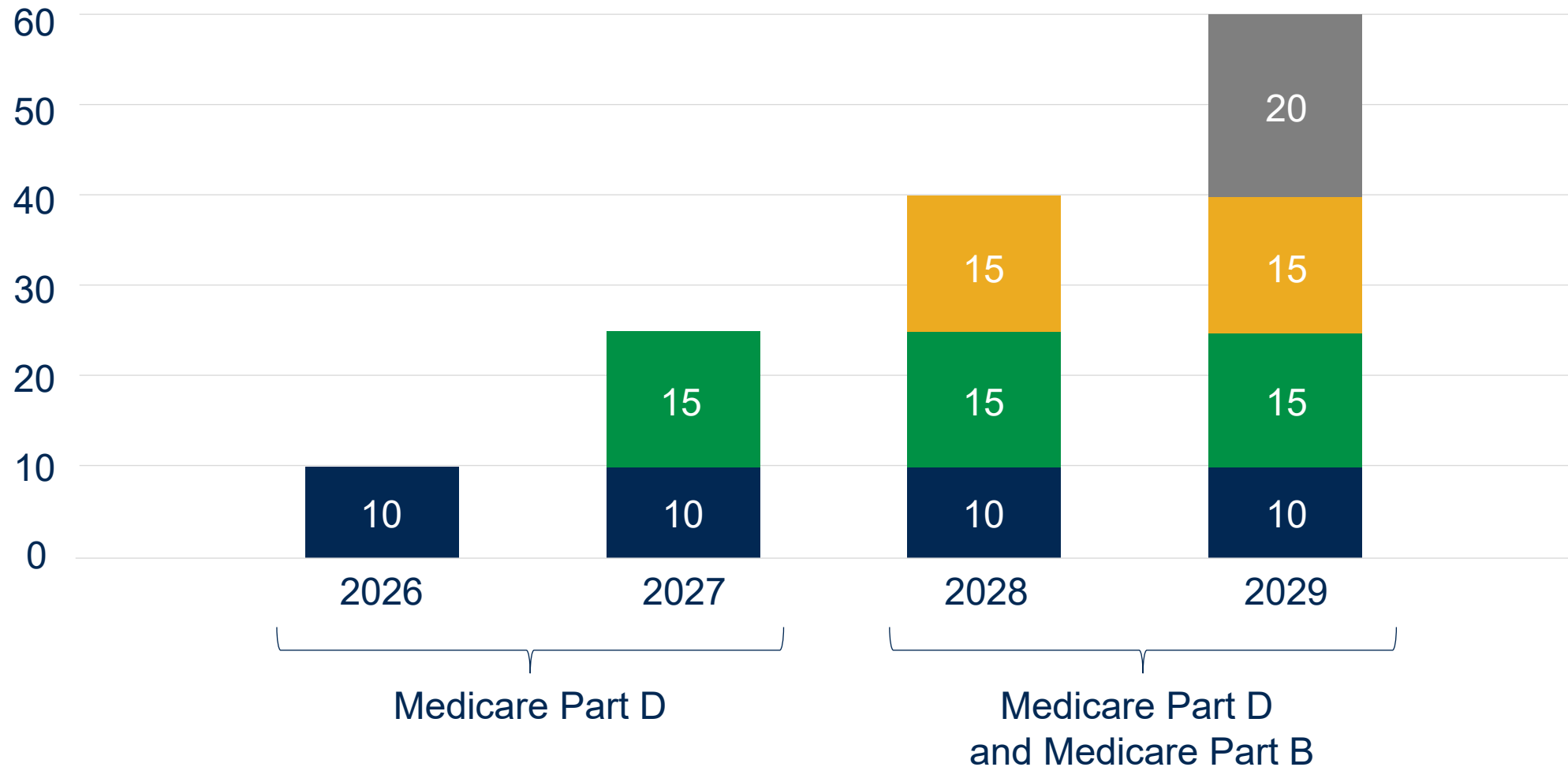
IRA: Maximum Fair Price (MFP)



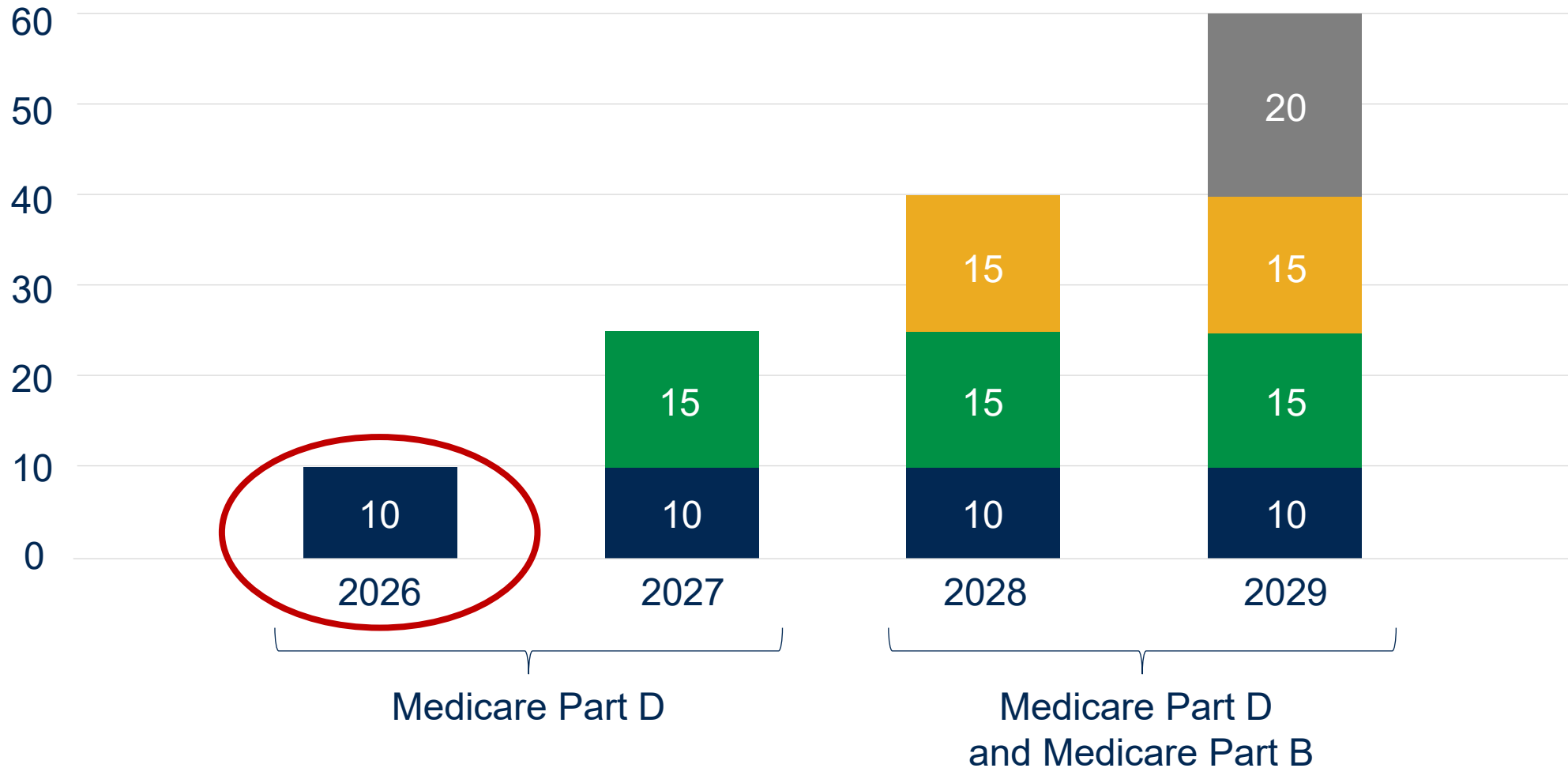
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Eliquis (Bristol Myers Squibb/Pfizer)	Entresto (Novartis)
Jardiance (Boehringer Ingelheim)	Enbrel (Amgen)
Xarelto (Johnson & Johnson)	Imbruvica (AbbVie)
Januvia (Merck)	Stelara (Johnson & Johnson)
Farxiga (AstraZeneca)	Novolog (Novo Nordisk)

How many MFP drugs will there be?



How many MFP drugs will there be?



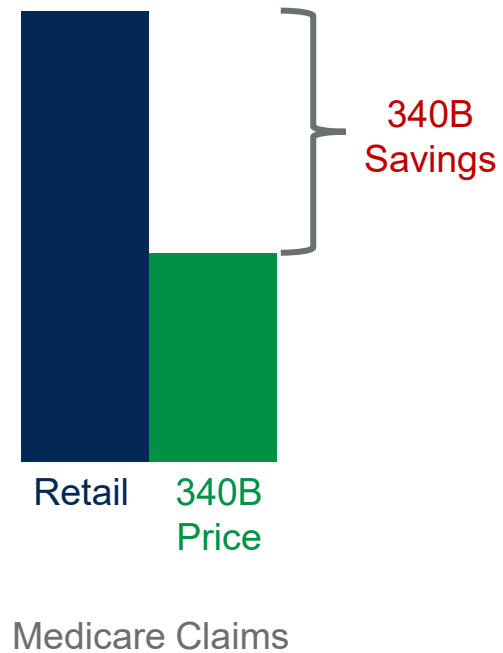
IRA: Maximum Fair Prices (MFPs) Announced

Drug Name	Drug Manufacturer	MFP for a 30-day Supply	List Price for 30-day Supply, CY 2023	MFP as a Discount from 2023 List Price
Januvia	Merck	\$ 113.00	\$ 527.00	79%
Novolog & Fiasp	Novo Nordisk	\$ 119.00	\$ 495.00	76%
Farxiga	AstraZeneca	\$ 178.50	\$ 556.00	68%
Enbrel	Amgen	\$ 2,355.00	\$ 7,106.00	67%
Jardiance	Boehringer Ingelheim	\$ 197.00	\$ 573.00	66%
Stelara	Johnson & Johnson	\$ 4,695.00	\$ 13,836.00	66%
Xarelto	Johnson & Johnson	\$ 197.00	\$ 517.00	62%
Eliquis	Bristol Myers Squibb (BMS)	\$ 231.00	\$ 521.00	56%
Entresto	Novartis	\$ 295.00	\$ 628.00	53%
Imbruvica	Pharmacyclics (Abbvie, J&J)	\$ 9,319.00	\$ 14,934.00	38%

Source: <https://www.cms.gov/files/document/fact-sheet-negotiated-prices-initial-price-applicability-year-2026.pdf>

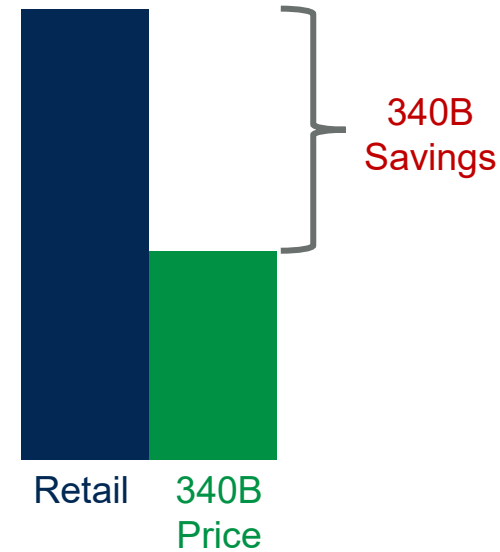
MFP, Cont.

Pre-IRA, Current State



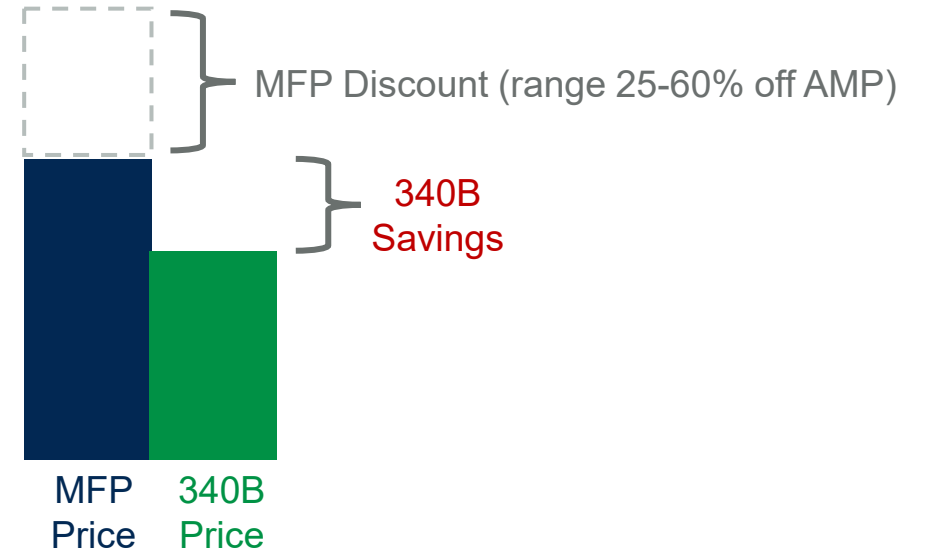
MFP, Cont.

Pre-IRA, Current State



Medicare Claims

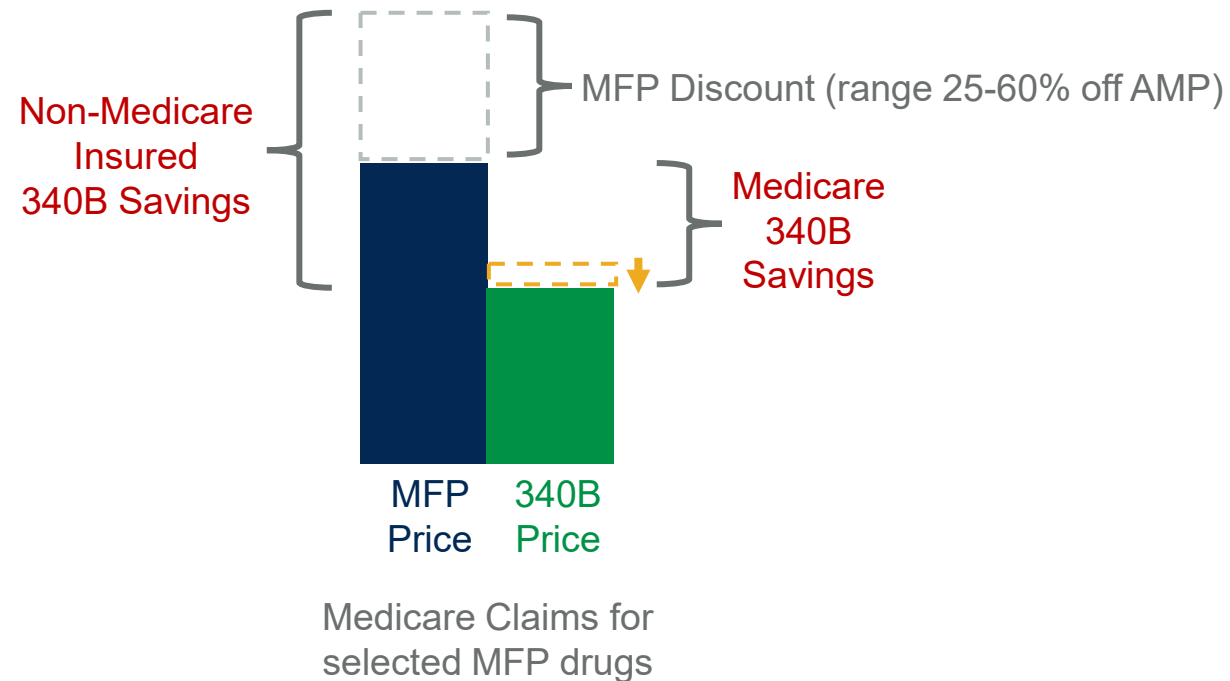
January 2026 and beyond



Medicare Claims for selected MFP drugs

MFP, Cont.

- Beyond the level of detail for today's webinar, but there could be some drug scenarios where the MFP price impacts the Unit Rebate Amount (URA) calculation and leads to a slight decrease in 340B ceiling price.



IRA: Maximum Fair Price (MFP) Planning

- How many of your insured scripts are paid by Medicare Part D plans?
- Can you isolate the portion of your savings deriving from the ten drugs selected in the first batch of negotiation?

IRA: Maximum Fair Price (MFP) Planning

Options for estimating the impact using current data:

a) Download the MFP data by NDC and Unit Price

Medicare Drug Price Negotiation



Because of the prescription drug law, known as the Inflation Reduction Act, Medicare is able to negotiate directly with drug companies to improve access to some of the costliest single-source brand-name Medicare Part B and Part D drugs.

[More Information about Initial Price Applicability Year 2026 Policy and Public Input Opportunities](#)

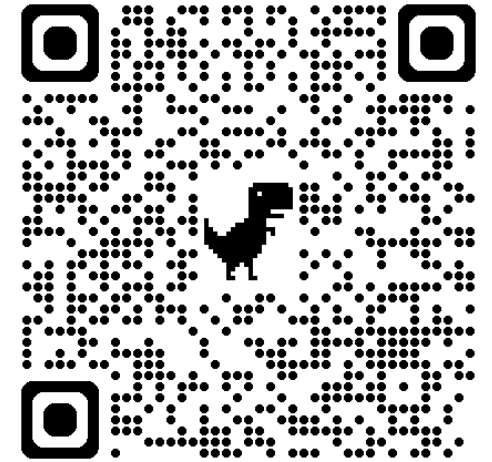
Selected Drugs for Negotiation

[Selected Drug List \(ZIP\)](#)

This list contains 10 drugs covered under Medicare Part D that were selected for the first cycle of negotiation based on Total Expenditures under Part D and other criteria as required by the law; the list will be updated over time. Potential updates to the list include the addition of drugs covered under Medicare Part D or Part B selected for negotiation in future years.

[File for Negotiated Prices, also known as Maximum Fair Prices in Statute \(ZIP\)](#)

This file contains information on the negotiated prices under the Medicare Drug Price Negotiation Program, which the statute refers to as Maximum Fair Prices (MFPs), for 10 drugs covered under Medicare Part D that will go into effect



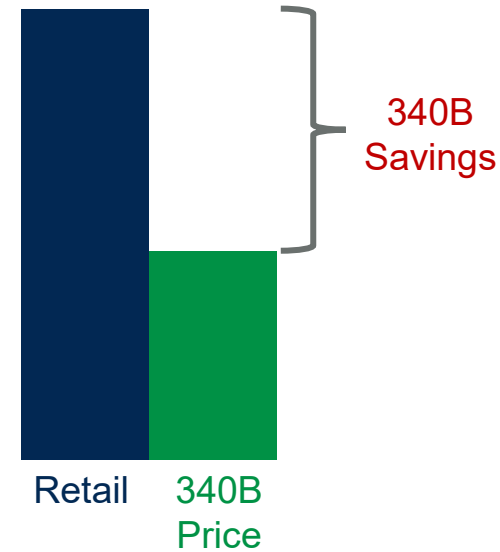
<https://www.cms.gov/inflation-reduction-act-and-medicare/medicare-drug-price-negotiation>

Estimating MFP impact based on current data

- a) Download the MFP data by NDC and Unit Price
- b) Isolate the Medicare Part D claims in your 340B dispense data
- c) Add a new column and use VLOOKUP or XLOOKUP to bring over the new MFP unit price into your 340B dataset, then multiply that unit price by the quantity dispensed
- d) Compare the future expected MFP reimbursement to your current 340B pricing
In some cases, the MFP will be lower than your 340B cost. No 340B savings in that case.
- e) Compare the expected MFP reimbursement to your current Medicare Part D reimbursement

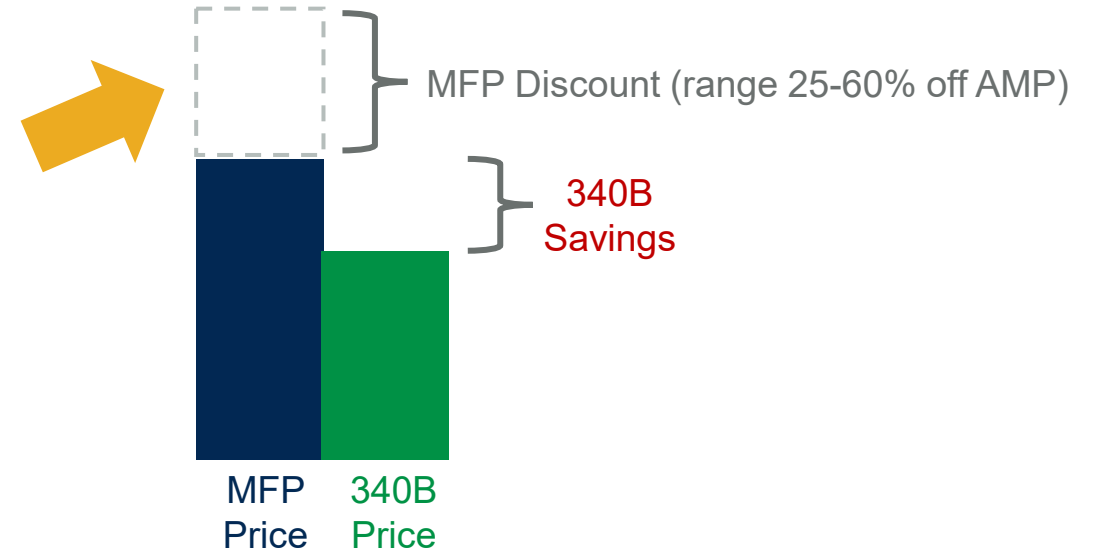
Briefly revisiting this slide...

Pre-IRA, Current State



Medicare Claims

January 2026 and beyond



Medicare Claims for selected MFP drugs

Questions?

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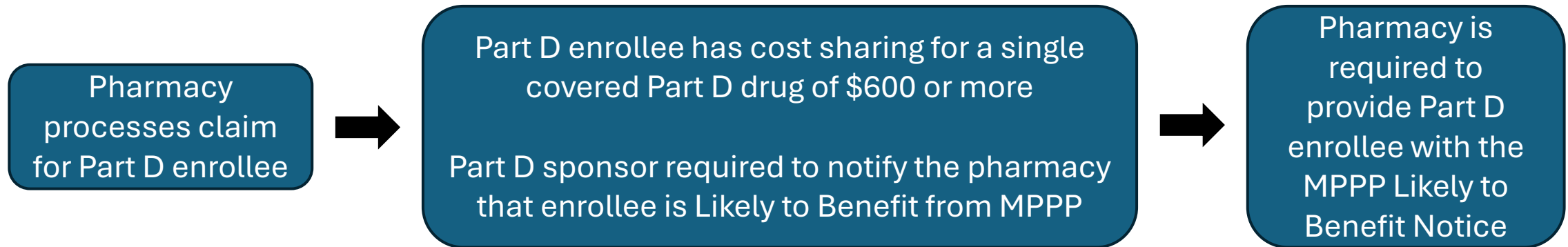
Medicare Prescription Payment Plan

(MPPP)

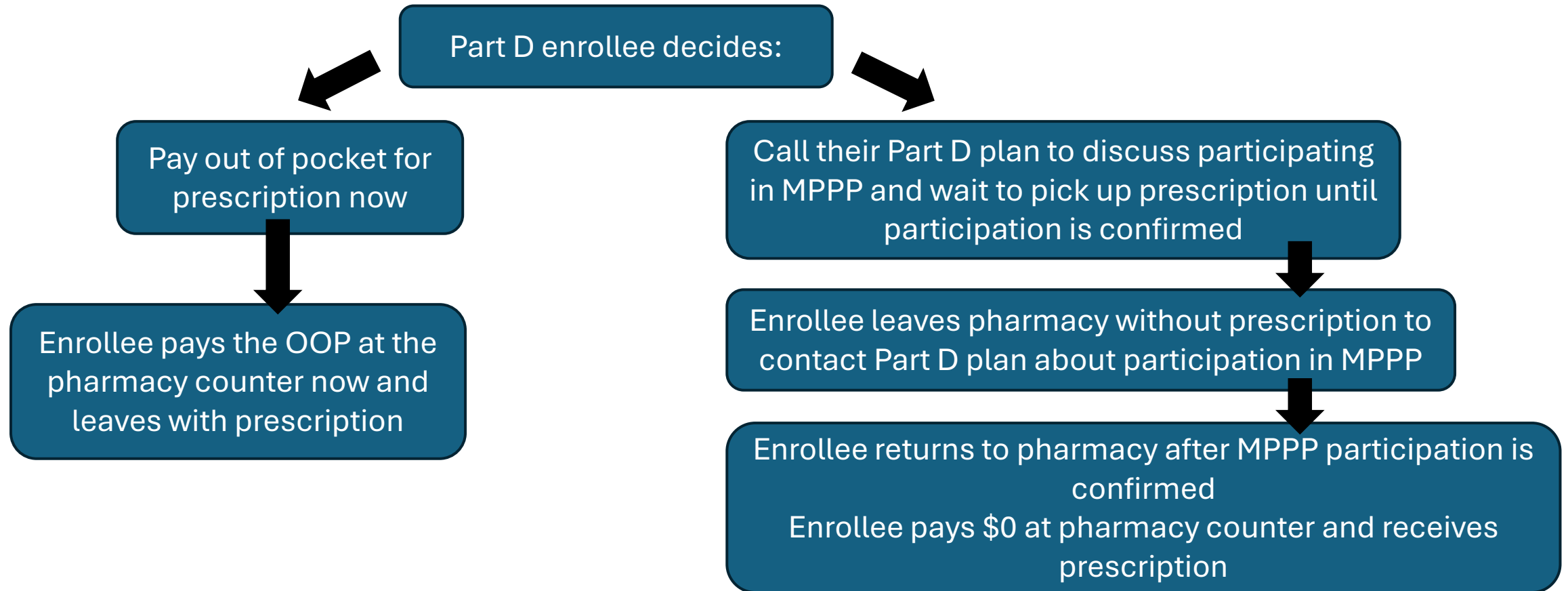
Medicare Prescription Payment Plan

- Allows Medicare beneficiaries with Medicare Part D to opt into an alternative payment structure for their cost-sharing for covered Part D medications
- Starting 1/1/25, people enrolled in a Part D plan will have the **option** to spread their out-of-pocket Part D costs over the calendar year rather than paying directly at the pharmacy counter
 - MPPP participants will pay \$0 to the pharmacy for covered Part D drugs
- The Part D plan sponsor will bill participants monthly for any cost sharing they incur while in the program
- Not all patients will benefit from the program
 - Patient with high cost sharing earlier in the year are more likely to benefit from MPPP
 - Patients with low, stable drug costs will not likely benefit from MPPP
- Does not reduce or increase a person's Part D cost sharing obligations – it only *shifts* them

Requirements for Pharmacies at Point-of-Sale



Requirements for Pharmacies at Point-of-Sale (continued)



Process for Patients Enrolled in MPPP

- Pharmacy submits claim using Part D plan primary BIN/PCN
- Pharmacy receives paid claim response identifying the plan MPPP BIN/PCN along with any known other health insurance
- Pharmacy submits the claim to other health insurance before billing the MPPP
- Pharmacy processes the MPPP transaction
- Pharmacy receives paid claim response reflecting \$0 cost-share at the POS.

Reprocessing Claims for New MPPP Participants

- The patient receives confirmation of participation in the Medicare Prescription Payment Plan and returns to the pharmacy to purchase the prescription
- Only the prescription that triggered the notification must be reversed and reprocessed
- If the patient has other prescriptions with earlier dates of services not yet paid for / picked up, the pharmacy must only reverse and reprocess these prescriptions at the participant's request
- Part D claims already paid by the patient do not require reprocessing.

Note: The date of service on the primary Part D claim and additional program-specific transactions must be on or after the date of program effectuation

Pharmacy Message Codes

Approved Codes

056	Beneficiary likely to benefit from Prescription Payment Plan
057	Beneficiary participating in Prescription Payment Plan
058	Beneficiary has opted not to participate in the Prescription Payment Plan

Reject Codes

D01	Beneficiary is not a participant in the Prescription Payment Plan
D02	Matching Medicare Part D claim not found to allow processing for Prescription Payment Plan
D03	This claim is not eligible for Prescription Payment Plan

Audit Risk Considerations

- **Ensure all staff know they are required to give a Likely to Benefit Notice (Message Code 056)**
- Submit all eligible claims to the patient's Part D plan, any secondary insurance coverage, and then the Prescription Payment Plan
- If a prescription is not picked up, reverse both the Part D and Prescription Payment Plan claims
- Prescriptions dispensed to the patient before they enroll in the Prescription Payment Plan should not be reprocessed
- Unsold prescriptions waiting to be picked up should be reprocessed if the patient opts in before the prescription is picked up
- Pharmacies cannot opt a patient into or out of the Prescription Payment Plan.

Health Center Specific Consideration

- Sliding Fee Discount Program (SFDP) eligible Part D enrollees
- Does the health center contract with Part D sponsor allow application of SFDP after billing insurance?
- How might MPPP impact patient that is SFDP eligible?

Special Circumstances



Long-Term Care Pharmacies

- The pharmacy should provide a Likely to Benefit Notice at the time of the typical cost-sharing billing process

Indian Health Service / Tribe & Tribal Organization / Urban Indian Organization (I/T/U) Pharmacies

- Part D prescription cost-sharing is not collected at POS at I/T/U pharmacies
- The Part D sponsor is not required to notify the pharmacy if the patient is Likely to Benefit; the pharmacy is not required to provide the patient Likely to Benefit Notice

Other pharmacy types without in-person encounters (e.g., mail order)

- The pharmacy must notify the patient via phone or other preferred contact method



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Unity Care Northwest
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Upcoming Events

Regulatory Affairs Office Hour: CY25 Medicare Physician Fee Schedule final rule

Sun	Mon	Tue	Wed	Thu	Fri	Sat
01	02	03	04			
08	09	10	11			
15	16	17	18	19	20	21
			Webinar			

Wednesday,
December 18

[Register here](#)

Focus Topics For Upcoming 340B Office Hours

During each 340B office hours, we discuss the most recent federal, state, and operational updates

Register [here](#) to attend the upcoming 340B Office Hours



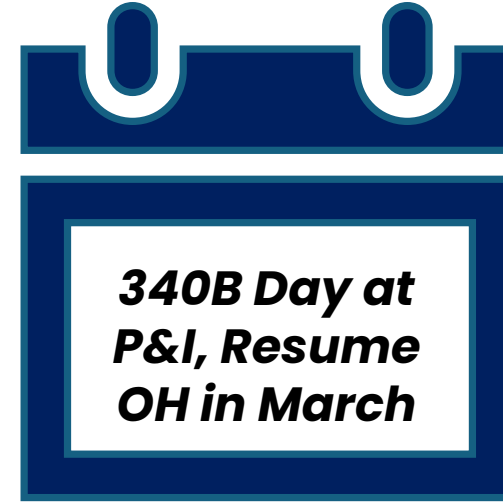
***December
Office Hours -
Cancelled***

Enjoy the holidays and we'll be back to regulatory scheduled office hours in the New Year!



***January 16th
UDS Reporting +
Review of 2024***

Get ready to submit your UDS reporting data next year and learn about the specific 340B aspects you'll need to successfully submit your data!



***340B Day at
P&I, Resume
OH in March***

Mark Your Calendars!
340B Day is February 8