

# Medicare Prescription Drug Coverage

## for Ryan White HIV/AIDS Program Clients

Medicare prescription drug coverage helps individuals pay for both brand-name and generic drugs, including HIV medications. Individuals can get Medicare prescription drug coverage in two ways:<sup>1</sup>

1. Purchasing a Medicare Part D prescription drug coverage plan to complement **Original (also known as Traditional) Medicare**.
2. Enrolling in a **Medicare Advantage Plan**, which includes prescription drug coverage.

However, if a Medicare enrollee is enrolled in Original Medicare and chooses **not** to enroll in drug coverage when they are first eligible, they will likely have to pay a **late enrollment penalty** to join later, unless they have other **creditable prescription drug coverage**. The penalty is in addition to their monthly premium for as long as they have a Medicare drug plan. Clients with creditable drug coverage should receive a written notice each September from their health plan.<sup>2</sup> If clients are unsure, they should ask their health plan administrator for a copy of the notice.

**Creditable prescription drug coverage** provides (i.e., pays for) at least as much as Medicare's standard prescription drug coverage, on average. People who have other creditable prescription drug coverage when they apply for Medicare, such as through an employer, can generally keep that coverage without paying a penalty if they decide to enroll in a Medicare Part D plan later.

This resource provides an overview of Medicare prescription drug coverage for Ryan White HIV/AIDS Program (RWHAP) clients and other people with HIV.



**Find the answers to these questions:**

1. How do clients get Medicare prescription drug coverage?
2. Are clients required to enroll in Medicare prescription drug coverage?
3. Does Medicare prescription drug coverage cover HIV medications?
4. How can the RWHAP, including its AIDS Drug Assistance Program (ADAP), help clients pay for Medicare prescription drug coverage?

## Standard Level of Coverage for All Medicare Drug Plans

All Medicare drug plans must provide a standard level of coverage set by Medicare, but may offer different combinations of coverage and cost sharing. Medicare drug plans may differ in the prescription drugs they cover, how much individuals have to pay, and which pharmacies they can use. For all diseases, plan formularies (the list of drugs a health insurance provider or plan covers) must include a minimum of two drugs in each drug class.

## Medicare Coverage for HIV Drugs

All Medicare prescription drug plans are required to cover all or nearly all drugs in six “protected” drug classes, including antiretroviral treatments for HIV.<sup>3</sup> HIV drugs are required to be covered without any utilization management (e.g., prior authorization or step therapy). However, Medicare Part D plans may place HIV drugs on specialty tiers with higher cost sharing requirements.

## How ADAP Can Help with Prescription Costs

The RWHAP Part B AIDS Drug Assistance Program (ADAP) can help Medicare-eligible clients pay for Medicare Part D premiums, inclusive of any late enrollment penalties, and cost sharing for HIV medications.<sup>4</sup> However, **ADAP is not considered creditable prescription drug coverage by Medicare** because it generally only covers HIV/AIDS-related medications. ADAPs may pay in full or in part for Medicare premiums, deductibles, and copayments.<sup>5</sup> Check with your local ADAP to determine what it covers. Other RWHAP Parts can also help eligible clients with Medicare Part D premiums and cost sharing.<sup>6</sup>

## Prescription Drug Coverage for Dually Eligible Beneficiaries

Many Medicare beneficiaries with HIV are dually eligible for both Medicare and Medicaid. Dually eligible beneficiaries are automatically enrolled in a Medicare drug plan that will cover their drug costs instead of Medicaid, but Medicaid may also cover some drugs that Medicare doesn’t cover.<sup>7</sup>

Medicare beneficiaries who have limited income and resources may also get help paying for their Medicare premiums and out-of-pocket medical expenses from Medicaid through a Medicare Savings Program (MSP). If a client qualifies for one of the following MSP programs, they automatically qualify for the Extra Help program as well.

- Qualified Medicare Beneficiary (QMB)
- Specified Low-income Medicare Beneficiary (SLMB)
- Qualifying Individual (QI)



### Prior authorization:

Requiring coverage and utilization review prior to prescribing the preferred regimen.



### Step therapy:

Starting patients on a less expensive treatment regimen and requiring them to “fail” on these options in order to get access to the prescriber’s recommended regimen.



### Use the **ADAP Coordinator Directory**

to contact your ADAP to learn how it works with Medicare’s drug coverage:

[www.nastad.org/  
member-directory/  
areas?area=7](http://www.nastad.org/member-directory/areas?area=7)

# The Inflation Reduction Act and Medicare Part D

The Inflation Reduction Act of 2022 makes significant changes to the Medicare Part D program, including expanded benefits and lower drug costs.<sup>8</sup>

As of January 1, 2023

Beneficiaries pay no more than \$35 per month for prescribed **insulin products**.

As of January 1, 2023

**Vaccines** that are recommended by the Advisory Committee on Immunization Practices (ACIP) are available at no cost to beneficiaries.

As of January 1, 2024

Medicare's Low-Income Subsidy (LIS) program, also known as **Extra Help**, is expanded to include all Medicare Part D beneficiaries with incomes up to 150% of the Federal Poverty Level (FPL). Extra Help provides financial assistance to Medicare Part D beneficiaries with limited income and resources and helps them pay for Medicare Part D premiums and out-of-pocket costs.

As of January 1, 2025

The Medicare prescription drug coverage gap (also known as the "donut hole") is eliminated. All Medicare prescription drug plans include a **\$2,000 annual cap** on out-of-pocket spending for covered drugs, inclusive of deductibles, copayments, and coinsurance. Payments made on behalf of the beneficiary, such as through the Extra Help program or ADAP, also count towards the cap. Once the \$2,000 cap is reached, beneficiaries do not have to pay out-of-pocket for any covered drugs for the rest of the plan year.

As of January 1, 2025

The **Medicare Prescription Payment Plan (MPPP)** provides beneficiaries with the option to spread out their out-of-pocket prescription drug costs in monthly amounts over the entire plan year.



Learn more about the **MPPP** and key considerations for RWHAP and ADAP clients: [www.targethiv.org/library/faqs-medicare-prescription-payment-plan](https://www.targethiv.org/library/faqs-medicare-prescription-payment-plan)

**The RWHAP, including ADAP, is still able to support clients after they enroll in Medicare.** See other ACE TA Center tools for additional information about Medicare coverage and enrollment:

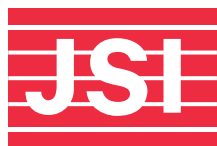
- [The Basics of Medicare for RWHAP Clients](#)
- [How Medicare Enrollment Works](#)
- [The Fundamentals of Medicare-Medicaid Dual Eligibility for RWHAP Clients](#)
- [Financial Help for Medicare](#)

## References

- 1 <https://medicare.gov/drug-coverage-part-d/how-to-get-prescription-drug-coverage>
- 2 <https://medicare.gov/basics/forms-publications-mailings/mailings/costs-and-coverage/notice-of-creditable-coverage>
- 3 <https://medicare.gov/drug-coverage-part-d/what-medicare-part-d-drug-plans-cover>
- 4 <https://nastad.org/sites/default/files/2022-08/Resource-RWHAP-MedicareFactSheet-R4-081122.pdf>
- 5 <https://medicare.gov/publications/11109-Medicare-Drug-Coverage-Guide.pdf>
- 6 <https://ryanwhite.hrsa.gov/sites/default/files/ryanwhite/grants/18-01-use-rwhap-funds-premium-cost-sharing-assistance.pdf>
- 7 <https://medicare.gov/basics/costs/help/medicaid>
- 8 <https://cms.gov/inflation-reduction-act-and-medicare>



The Access, Care, and Engagement (ACE) TA Center aims to help Ryan White HIV/AIDS Program recipients and subrecipients support their clients, especially people of color, to navigate the health care environment through enrollment in health coverage and improved health literacy. For more information, visit: [\*\*www.targethiv.org/ACE\*\*](http://www.targethiv.org/ACE)



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