Issue Brief Resource Index

Directed toward a variety of stakeholders, the PAN Foundation’s **Issue Briefs** provide an overview of key issues concerning cost sharing, Medicare Part D and other topics related to prescription medication access and affordability.

**Issue Brief #1: Cost Sharing and Access to Prescription Medications**
Cost sharing refers to healthcare expenses that are not covered by an individual’s insurance plan and must be paid out-of-pocket (OOP). These OOP expenses come from deductibles, co-payments and coinsurance. There are significant concerns that cost sharing limits access to medically necessary prescription medications for some patients. **This Issue Brief describes how cost sharing is implemented for prescription medications and the resulting impact on economically vulnerable patients.**

**Issue Brief #2: Access to Prescription Medications Under Medicare Part D**
Medicare is a federal health insurance program that provides coverage for adults over the age of 65, as well as some people under 65 who are disabled or who have end-stage kidney disease. Under Medicare, “Part D” drug plans cover prescription medications that are typically purchased at pharmacies. **This Issue Brief describes the structure of Medicare Part D drug plans and how Medicare beneficiaries share in the cost of their prescription medications under these plans. It also shows how patients who need expensive medications can incur significant OOP costs that can hinder their access to needed treatments.**

**Issue Brief #3: Patient Experiences with Out-of-Pocket Medication Expenses**
Recognizing the importance of OOP cost burdens on patients and families, the PAN Foundation conducted a survey to learn more about how patients cope with their OOP medication expenses. **This Issue Brief details the results of the data that was gathered from nearly 1,900 patients who responded to PAN’s survey.** More
than 25 percent of respondents reported being unable to cover $500 in OOP medication expenses, an indication of the degree of economic vulnerability that some patients face. Other results provide insight on how many patients seek outside assistance for their medication expenses, how many receive this assistance, and the consequences for patients of not receiving support to cover their OOP drug costs.

**Issue Brief #4: Out-of-Pocket Drug Costs Among Medicare Beneficiaries**
The burden of paying OOP medication costs is increasing among Medicare beneficiaries: Only 24 percent of the Medicare population is economically secure and 16 percent live in poverty. This Issue Brief describes how healthcare expenses contribute to the economic vulnerability of Medicare beneficiaries and how rapid increases in OOP drug costs have a disproportionate impact on beneficiaries with low incomes and those with multiple chronic conditions.

**Issue Brief #5: Links Between Financial Hardship and Out-of-Pocket Drug Costs**
A 2015 report from the Kaiser Family Foundation showed that 24 percent of Americans reported having problems paying for their prescription drugs, a figure that increased to 33 percent among people with low incomes and to 43 percent among those in poor health. These patients must often choose between paying OOP costs for life-saving medications and covering the costs of basic needs like food, rent and utilities. This Issue Brief examines how OOP drug costs cause financial hardship among economically vulnerable patients and how financial assistance and other support can help alleviate some of these challenges.

**Issue Brief #6: “Seasonality” of Out-of-Pocket Drug Costs for Medicare Beneficiaries**
Medicare Part D drug plans follow a January–December cycle. Compared to patients who take less expensive medications and whose OOP costs are spread out more evenly over the course of the year, patients who need specialty medications often pay considerable OOP drug costs immediately after the start of each calendar year. This Issue Brief explores how Medicare Part D drug plans can concentrate OOP costs at the beginning of the calendar year for some patients and how rapid accumulation of these OOP costs can hinder access to needed treatments.

**Issue Brief #7: Out-of-Pocket Costs and Specialty Medications**
The list of drugs that is covered under a commercial or federal health insurance drug plan is known as the plan’s “formulary.” Formularies can contain hundreds of medications, including relatively inexpensive generic drugs, as well as extremely costly
brand-name drugs, often called “specialty medications.” Although many patients can be effectively treated with low-cost generic medications, in some cases, the only drug that is effective is a specialty medication, or a high-cost generic drug that is on the specialty tier. This Issue Brief describes formulary tiers, explores the rationale for specialty drug tiers, and examines how OOP costs for specialty medications can reduce access to these drugs.

**Issue Brief #8: Capping Out-of-Pocket Drug Costs for Medicare Beneficiaries**

Medicare Part D drug plans are complex, and they can impose significant OOP costs on some beneficiaries. These OOP costs come from premiums, deductibles, as well as co-payments and coinsurance. Medicare beneficiaries are the only group of insured people in the U.S. that is not protected by a cap on annual OOP costs. This Issue Brief explores how the absence of a cap on annual OOP drug costs impacts Medicare beneficiaries’ access to needed medications, as well as strategies to address this critical problem.

**Issue Brief #9: High-Deductible Health Plans and Access to Prescriptions Medications**

A deductible is the amount of money that an insured person must pay OOP before their insurance policy begins to pay expenses. A high-deductible health plan (HDHP) is a health insurance policy that, compared to standard health plans, has a higher deductible. HDHPs are offered by employers and they are also available through the Affordable Care Act’s marketplace exchanges. This Issue Brief explores how HDHPs create barriers that inhibit patients from accessing the prescription medications they need.

**Issue Brief #10: Healthcare Access and Affordability: A Pressing Concern for Many Americans**

Healthcare affordability means different things to different people, but there is little doubt that the ability to cover healthcare expenses is among the most pressing concerns in the United States today. Healthcare affordability is a concern that is shared not only by patients, but also by physicians, policymakers and other stakeholders. This Issue Brief explores how the lack of affordable healthcare can create insurmountable barriers between economically vulnerable patients and necessary healthcare services, medications and procedures.

**Issue Brief #11: Medicare’s Low-Income Subsidy (LIS) Program**

Medicare beneficiaries with low incomes and very few assets as well as some people with disabilities may qualify for the LIS program, which helps cover OOP prescription drug
costs. The LIS program shields economically vulnerable and disabled beneficiaries from high OOP drug costs by helping them pay for monthly premiums, annual deductibles and co-payments for prescription medications obtained through Medicare prescription drug programs. This Issue Brief describes the LIS program, how it helps low-income seniors and people with disabilities, and what can be done to ensure that OOP drug costs do not prevent these beneficiaries from getting the treatment they need.

Issue Brief #12: Modernizing the Structure of Medicare Part D

Although Medicare Part D has facilitated access to prescription medications for millions of seniors, its outdated benefit design leaves increasing numbers of beneficiaries with limited access to the medications they need because of high out-of-pocket (OOP) drug costs. This Issue Brief describes the history of the Medicare Part D prescription drug benefit, its limitations, and policy solutions to modernize this important insurance program.