

LOWER OUT-OF-POCKET MEDICATION COSTS FOR NEUROLOGIC PATIENTS

Background

High drug costs increasingly contribute to the cost of neurologic care and for many, serve as a barrier to treatment. Neurologists work hard to provide high quality care for their patients, but the complexities of the prescription drug pricing system can make it difficult for patients to access necessary treatments.

New breakthrough therapies are being approved for neurologic conditions such as migraine and spinal muscular atrophy but cost tens of thousands or even hundreds of thousands of dollars annually. Older drugs, such as several used to treat multiple sclerosis (MS), have undergone significant annual price increases despite no change to the product or increased competition.

Average Patient Out-of-pocket Cost for MS Medication

2004 = **\$15**/month
2016 = **\$309**/month



cost
skyrocketed
more than
20X

How do patients pay for their medications under Medicare Part D?

Initial Coverage

Patients pay a percentage of the cost of covered Part D drugs and the plan pays the remainder up to a specific amount.

“Donut Hole” Coverage Gap

The patient enters a coverage gap (donut hole) in which they are responsible for the cost of drugs.

Catastrophic Coverage

The patient has reached a catastrophic threshold for out-of-pocket costs.

Effects of Catastrophic Coverage on MS Patients

(Sample data represents approximately 20% of Part D population)



2019: 2,976 MS patients will reach \$5,100 threshold



Senate proposal: 4,391 MS patients will reach \$3,100 threshold



House proposal: 5,012 MS patients will reach \$2,000 threshold

In 2020, the catastrophic threshold increased to **\$6,350**

SOLUTION

Congress should include a sweeping Part D program redesign in any final drug pricing legislative package and reduce the total out-of-pocket spending threshold to \$3,100 or lower for covered Part D drugs.