

## Humana 2021 Insulin Savings Program

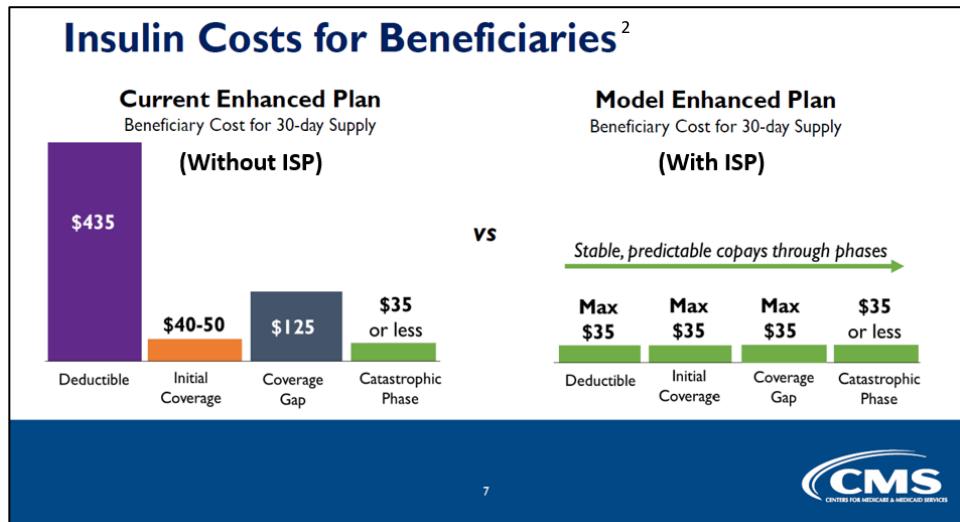
Providing affordable, predictable copayments on Part D select insulins

Humana is participating in the new Part D Senior Savings Model, which we call the Insulin Savings Program (ISP). This program is a supplemental benefit included on certain plans that offers affordable, predictable copays on Part D select insulins through the deductible, initial coverage & coverage gap stages of the Part D benefit.

On participating plans, monthly copay per select insulin is:

- MAPD: max \$35 but varies<sup>1</sup>
- Premier PDP: \$30 at preferred cost-sharing pharmacies, \$35 at standard cost-sharing pharmacies

<sup>1</sup>For MAPD, the copay is less than \$35 when the tier of the select insulin already has a copay less than \$35. In those cases, the ISP copay will match that lower copay and extend through deductible, initial coverage & coverage gap.



<sup>2</sup>For some, cost in the catastrophic stage will be more than \$35 per month. See FAQ #5 for background.

### Humana Select Insulin List (all insulins on Tier 2 or Tier 3 of Humana's formularies are included)

| Drug Name  | "Plus" Formularies:<br>Coverage Tier | All Other Formularies:<br>Coverage Tier |
|--|--------------------------------------|---|
| Fiasp FlexTouch U-100 Insulin 100 unit/mL (3 mL) subcutaneous pen      | 3                                    | 3                                       |
| Fiasp Penfill U-100 Insulin 100 unit/mL (3 mL) subcutaneous cartridge  | 3                                    | 3                                       |
| Fiasp U-100 Insulin 100 unit/mL subcutaneous solution                  | 2                                    | 3                                       |
| Lantus SoloStar U-100 Insulin 100 unit/mL (3 mL) subcutaneous pen      | 3                                    | 3                                       |
| Lantus U-100 Insulin 100 unit/mL subcutaneous solution                 | 2                                    | 3                                       |
| Levemir FlexTouch U-100 Insulin 100 unit/mL (3 mL) subcutaneous pen    | 3                                    | 3                                       |
| Levemir U-100 Insulin 100 unit/mL subcutaneous solution                | 2                                    | 3                                       |
| Novolin 70/30 U-100 Insulin 100 unit/mL subcutaneous suspension        | 2                                    | 3                                       |
| Novolin 70-30 FlexPen U-100 Insulin 100 unit/mL (70-30) subcutaneous   | 2                                    | 3                                       |
| Novolin N Flexpen 100 unit/mL (3 mL) subcutaneous insulin pen          | 3                                    | 3                                       |
| Novolin N NPH U-100 Insulin isophane 100 unit/mL subcutaneous susp     | 2                                    | 3                                       |
| Novolin R Flexpen 100 unit/mL (3 mL) subcutaneous insulin pen          | 3                                    | 3                                       |
| Novolin R Regular U-100 Insulin 100 unit/mL injection solution         | 2                                    | 3                                       |
| Novolog Flexpen U-100 Insulin aspart 100 unit/mL (3 mL) subcutaneous   | 3                                    | 3                                       |
| Novolog Mix 70-30 FlexPen U-100 Insulin 100 unit/mL subcutaneous pen   | 3                                    | 3                                       |
| Novolog Mix 70-30 U-100 Insulin 100 unit/mL subcutaneous solution      | 2                                    | 3                                       |
| Novolog PenFill U-100 Insulin aspart 100 unit/mL subcutaneous cartridg | 3                                    | 3                                       |
| Novolog U-100 Insulin aspart 100 unit/mL subcutaneous solution         | 2                                    | 3                                       |
| Soliqua 100/33 100 unit-33 mcg/mL subcutaneous insulin pen             | 3                                    | 3                                       |
| Toujeo Max U-300 SoloStar 300 unit/mL (3 mL) subcutaneous insulin pen  | 3                                    | 3                                       |
| Toujeo SoloStar U-300 Insulin 300 unit/mL (1.5 mL) subcutaneous pen    | 3                                    | 3                                       |
| Tresiba FlexTouch U-100 insulin 100 unit/mL (3 mL) subcutaneous pen    | 3                                    | 3                                       |
| Tresiba FlexTouch U-200 insulin 200 unit/mL (3 mL) subcutaneous pen    | 3                                    | 3                                       |
| Tresiba U-100 Insulin 100 unit/mL subcutaneous solution                | 2                                    | 3                                       |
| Xultophy 100/3.6 100 unit-3.6 mg/mL (3 mL) subcutaneous insulin pen    | 3                                    | 3                                       |

## Frequently Asked Questions (FAQs):

- 1. Who is eligible?** All Medicare beneficiaries on an MAPD plan or PDP that offers ISP and taking a Part D select insulin are eligible, with a few exceptions. Those not eligible include:
  - a. Those on Low Income Subsidy (LIS), otherwise known as Extra Help. LIS members are not eligible for ISP per CMS because these members already receive discounted cost on prescriptions.
  - b. D-SNPs because everyone on a D-SNP receives some level of LIS; and
  - c. Group Medicare plans.
- 2. Which insulins are included as a select insulin?** All insulins on Tier 2 or Tier 3 of Humana's formularies are included. All are Novo Nordisk or Sanofi insulins. ISP plans include as a select insulin at least one vial and pen dosage form of the following four insulin types: rapid-acting, short-acting, intermediate-acting and long-acting. Insulin administered with a pump is not eligible per CMS because it is a Part B benefit.
- 3. Does the member need to do anything to get the ISP copay for select insulins?** No, eligible members do not need to apply to participate in the program. Members taking select insulins on participating plans will automatically get ISP copays in the first 3 Part D benefit stages.
- 4. Which plans are participating?** Humana included ISP on certain MAPD plans, and all Premier PDPs. Humana primarily targeted non-DSNP HMO plans for MAPD.
- 5. How much will the member pay for select insulins in the catastrophic phase?** During the catastrophic phase, the member will pay 5% of the total cost of the select insulin, just like other Part D drugs. For most members the cost for select insulins will be less than \$35 per month in the catastrophic phase, but may be more depending on the particular type of insulin and dosing.
- 6. How will the select insulin apply to the deductible, if the plan has a deductible?** The member will pay the max \$35 copay in the deductible stage. The member's copay for the select insulin during the deductible stage does not reduce the deductible.
- 7. How does the ISP change how the member enters and exits the coverage gap, and TrOOP accumulation?** ISP does not change how the member enters or exits the coverage gap. The total cost of all the member's Part D drugs, including what the member pays and what the plan pays, contributes to the member entering the coverage gap. The member's cost share and the manufacturer discount in the coverage gap (on drugs that have a manufacturer discount in the coverage gap) contribute toward TrOOP and therefore member exiting the coverage gap. All select insulins have a manufacturer discount, and it applies toward TrOOP.
- 8. How does payment in the coverage gap work normally and with the ISP?** Without the ISP, plans are disincentivized to offer supplemental coverage in the gap for drugs that receive a manufacturer coverage gap discount (70%) because the plan would bear the majority of the cost. In this case, if the plan provided enhanced coverage during the gap, the manufacturer's discount is applied to the amount the member is responsible for (copay amount) vs. full cost of the drug. With ISP, CMS is testing a change where the manufacturer discount is applied first to the total cost of the drug, and then supplemental benefits under the model are applied which removes that disincentive. See appendix for an illustration of this change.
- 9. Is there any advantage to filling at Humana Pharmacy?** Most ISP plans offer cost savings if the member fills a 90-day supply of a select insulin at a preferred cost-sharing mail-order pharmacy (e.g. Humana Pharmacy). Majority of MAPD plans with a \$35 copay per 30-day supply have a \$95 copay per 90-day supply of a select insulin at preferred cost-sharing mail-order pharmacies (\$10 savings over 3 months).

## Appendix: Illustration of how the coverage gap works normally and with ISP

### How Coverage in the Gap Works Normally and With ISP

- Currently, plans are dis-incentivized to offer enhanced coverage in the gap for drugs that receive a manufacturer coverage gap discount (70%) because the plan would bear the majority of the cost
- If gap supplemental benefits are included, the manufacturer's discount is applied to the amount the member is responsible for (copay amount) vs. full cost of the drug
- The following 3 examples<sup>1</sup> highlight payment scenarios for a \$500 insulin claim for a NLI beneficiary in the coverage gap:
  - Defined standard cost-sharing (no gap supplemental benefits)
  - Current Part D Program with a \$35 gap copay
  - ISP Model with a \$35 gap copay

**FIGURE 1: NO GAP SUPPLEMENTAL BENEFITS**

Coverage gap payments for each prescription for an applicable drug with a \$500 negotiated price and no supplemental benefits

|  |     |          |       |   |       |
|--|-----|----------|-------|---|-------|
| Manufacturer coverage gap discount applied | 70% | $\times$ | \$500 | = | \$350 |
| Beneficiaries' responsibility applied      | 25% | $\times$ | \$500 | = | \$125 |
| Part D sponsor's liability applied         | 5%  | $\times$ | \$500 | = | \$25  |

**FIGURE 2: GAP SUPPLEMENTAL BENEFITS**

If a plan wanted to offer a reduced copay of \$35 in the coverage gap under current law for the same \$500 applicable drug per prescription

|   |       |          |                   |   |         |
|---|-------|----------|-------------------|---|---------|
| First, Part D sponsor's liability assumed | \$500 | $-$      | \$35              | = | \$465   |
| Second, manufacturer discount applied     | \$500 | $\times$ | 70%               | = | \$350   |
| Remainder is paid by the enrollee         | \$500 | $-$      | (\$465 + \$24.50) | = | \$10.50 |

**FIGURE 3: PART D SENIOR SAVINGS MODEL INSULIN DEMONSTRATION**

#### Example 3

\$500 Insulin with \$35 Copay in Coverage Gap under Demonstration

|   |       |          |                |   |       |
|---|-------|----------|----------------|---|-------|
| First, manufacturer discount is applied | \$500 | $\times$ | 70%            | = | \$350 |
| Second, Beneficiary Copay applied       |       |          |                |   | \$35  |
| Remainder is paid by the plan           | \$500 | $-$      | (\$350 + \$35) | = | \$115 |

<sup>1</sup>Source - Milliman White Paper – Reducing insulin costs for seniors: Thoughts for plan sponsors considering participation in the Medicare Part D Senior Savings Model

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