UNDERSTANDING MEDICARE

And how to help your Medicare patients access their Genentech medicines

Look inside for a helpful resource for discussing Medicare with your patients
Medicare Is an Important Part of the Payer Landscape

Medicare is a government health plan that covered 63 million people in 2021, including people who were\(^1,2\):

- Aged 65 or older
- Under age 65 with disabilities
- Any age with end-stage renal disease or amyotrophic lateral sclerosis (ALS)

Parts of Medicare and patient out-of-pocket (OOP) costs from the Centers for Medicare & Medicaid Services (CMS) for Medicare in 2022\(^3,5\)

<table>
<thead>
<tr>
<th>PART A</th>
<th>PREMIUM</th>
<th>DEDUCTIBLE</th>
<th>CO-PAY/CO-INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Insurance</td>
<td>• $0 to $499 per month</td>
<td>$1,556 per benefit period (generally a calendar year)</td>
<td>Varies by length of stay</td>
</tr>
<tr>
<td>Covers inpatient care, skilled nursing facilities, hospice care, home health care</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART B</th>
<th>PREMIUM</th>
<th>DEDUCTIBLE</th>
<th>CO-PAY/CO-INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Insurance</td>
<td>$170.10 per month or higher depending on income</td>
<td>$233 per year</td>
<td>20% for most services</td>
</tr>
<tr>
<td>Covers services from doctors and other health care providers, office-administered drugs, outpatient care, home health care, durable medical equipment, many preventive services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART C</th>
<th>PREMIUM</th>
<th>DEDUCTIBLE</th>
<th>CO-PAY/CO-INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Advantage</td>
<td>Varies by plan, but $19 per month on average</td>
<td>Varies by plan</td>
<td>Varies by plan</td>
</tr>
<tr>
<td>Run by private payers, replaces Parts A and B and often D</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART D</th>
<th>PREMIUM</th>
<th>DEDUCTIBLE</th>
<th>CO-PAY/CO-INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prescription Drug Plan (PDP)</td>
<td>Varies by plan, but $33 on average</td>
<td>Varies by plan; ranges from $0 to $480</td>
<td>Varies by plan, but must be actuarially equivalent to 25%</td>
</tr>
<tr>
<td>Run by private payers, covers self-administered prescription drugs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Medigap or supplemental insurance plans may be purchased from private insurance companies to help cover some Medicare Part A and Part B costs, including deductibles, co-insurance and co-pays. These plans are not available for Medicare Advantage or Part D.\(^1\)
Patient OOP responsibilities for Part D fluctuate depending on the coverage phase\(^5\)

**2022 Standard Medicare Prescription Drug Benefit\(^5\)*

The sample figures shown are for 2022 Part D Standard Benefit Plan cost sharing. Most plans do not offer the standard benefit. Coverage and cost may vary by product and plan.

<table>
<thead>
<tr>
<th>ANNUAL DEDUCTIBLE</th>
<th>INITIAL COVERAGE LIMIT</th>
<th>COVERAGE GAP</th>
<th>CATASTROPHIC COVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% is covered by the patient</td>
<td>75% is covered by the Part D plan</td>
<td>75% is covered by the Part D plan</td>
<td>95% is covered by Medicare and the Part D plan</td>
</tr>
<tr>
<td>25% is covered by the patient</td>
<td>70% is covered by the manufacturer discount program</td>
<td>5% is covered by the Part D plan</td>
<td>5% is covered by the patient</td>
</tr>
</tbody>
</table>

Limit=$480 in total drug costs  
Limit=$4,430  
Limit=$7,050 in TrOOP\(^1\) spending

Note: The best source of information about Medicare is CMS. Visit [Medicare.gov](https://www.medicare.gov) to learn more.

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*The sample figures shown are for 2022 Part D Standard Benefit Plan cost sharing. Most plans do not offer the standard benefit. Coverage and cost may vary by product and plan.\(^5\)

\(^1\)TrOOP=true out-of-pocket. Costs that count toward TrOOP include deductibles, co-insurance, co-pays, the amount paid by manufacturers in the Medicare Coverage Gap Discount Program and the amount paid by the patient for covered drugs in the coverage gap.
“Extra Help” or Low-Income Subsidy (LIS) Program

LIS is available for people with low income and limited resources

People with limited resources and income may be able to use the LIS program, also known as “Extra Help,” to get assistance with their monthly premiums, annual deductibles and prescription co-pays related to their Medicare Part D plans. LIS is estimated to be worth about $5,100 per year for each beneficiary.

Many people who qualify aren't aware of LIS

Some beneficiaries automatically qualify, including:

• Dual eligibles (Medicare/Medicaid)
• Qualified Medicare Beneficiaries (QMBs)
• Specified Low-Income Medicare Beneficiaries (SLMBs)
• Qualified Individuals (QIs)
• Supplemental Security Income (SSI)-onlys

Consider discussing LIS with patients who are not automatically enrolled and who express concerns about their OOP costs.

To apply for LIS, patients can:

• Call Social Security: (800) 772-1213
  – TTY: (800) 325-0778

• Visit socialsecurity.gov/extrahelp

• Visit their local Social Security office

Note: The best source of information about Medicare is CMS. Visit Medicare.gov to learn more.
LIS eligibility criteria and patient costs for 2022[^10][^11]

<table>
<thead>
<tr>
<th>ELIGIBILITY</th>
<th>OOP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dual Eligible (Medicare/Medicaid)</td>
<td>• Must meet Full Assistance LIS criteria and be eligible for Medicaid</td>
</tr>
</tbody>
</table>
| • $0 deductible  
  • Co-pay of $9.85 (>100% FPL) or $4.00 (≤100% FPL) per prescription for noninstitutionalized beneficiaries  
  • $0 co-pay per prescription after the OOP threshold[^2] |
| Full Assistance LIS | • Annual income[^1] of ≤$18,365.50 for individuals or ≤$24,718.50 for couples  
  • Total assets of ≤$8,400 for individuals or ≤$12,600 for couples |
| • $0 deductible  
  • Co-pay of $9.85 per prescription  
  • $0 co-pay per prescription after the OOP threshold[^2] |
| Partial Assistance LIS | • Annual income[^1] of ≤$20,385 for individuals or ≤$27,465 for couples  
  • Total assets of ≤$14,010 for individuals or ≤$27,950 for couples |
| • $99 deductible  
  • 15% co-insurance per prescription  
  • $9.85 co-pay per prescription after the OOP threshold[^2] |

*The OOP amounts shown are for brand-name products.  
[^1]: Patients with a higher income may still qualify for assistance if they support other family members living with them, have earnings from work or live in Alaska or Hawaii. The criteria above are provided as an example of anticipated costs.[^7]  
[^2]: The 2022 OOP threshold is $7,050.[^5]  

Considerations for LIS eligibility[^7]

Items that count toward assets include real estate (aside from the primary residence), bank accounts, stocks, bonds and savings bonds, mutual funds and individual retirement accounts.  
Items that do not count toward assets include the primary residence, personal possessions, vehicles, property that doesn’t easily convert to cash, property needed for self-support and life insurance policies.

FPL=federal poverty level.
It may be challenging for patients to understand the complexities of their Medicare coverage. The *Understanding the Parts of Medicare and Your Costs* PDF can help guide your discussions about how Medicare may affect their ability to access their Genentech medicines.

The resource includes:

- **A brief overview of the parts of Medicare and the associated costs so you can explain the different plan types**
- **Information on the LIS “Extra Help” Program so patients understand that additional help may be available to them**
- **A diagram of the Part D coverage phases to help explain to patients how their medication costs may change throughout the year as they progress through the coverage phases**
- **Helpful insurance terms and definitions**

**Contact your Genentech representative** to acquire the *Understanding the Parts of Medicare and Your Costs* resource.

*Note: The best source of information about Medicare is CMS. Visit [Medicare.gov](https://www.medicare.gov) to learn more.*
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Please contact your Genentech Field Reimbursement Manager or Genentech representative or visit Genentech-Access.com

References:

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