UNDERSTANDING MEDICARE
And how to help your Medicare patients access their Genentech medicines
Medicare is a government health plan that covered 60 million people in 2018,\(^1\) including people who were:\(^2\):
- Aged 65 or older
- Under age 65 with disabilities
- Any age with end-stage renal (kidney) 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 2019\(^3,4\)

<table>
<thead>
<tr>
<th>Part</th>
<th>Premium</th>
<th>Deductible</th>
<th>Co-pay/Co-insurance</th>
</tr>
</thead>
</table>
| **PART A**
Hospital Insurance
Covers inpatient care, skilled nursing facilities, hospice care, home health care | $0 to $437 per month
Most people do not have a premium | $1364 per benefit period (generally a calendar year) | Varies by length of stay |
| **PART B**
Medical Insurance
Covers services from doctors and other health care providers, office-administered drugs, outpatient care, home health care, durable medical equipment, many preventive services | $135.50 per month or higher depending on income | $185 per year | 20% for most services |
| **PART C**
Medicare Advantage
Run by private payers, replaces Parts A and B and often D | Varies by plan, but $40 per month on average | Varies by plan | Varies by plan |
| **PART D**
Prescription Drug Plan (PDP)
Run by private payers, covers self-administered prescription drugs | Varies by plan, but $32.50 on average | Varies by plan; ranges from $0 to $415 | Varies by plan, but must be actuarially equivalent to 25% |

Patient OOP responsibilities for Part D fluctuate depending on the coverage phase\(^5\)

### Standard Medicare Prescription Drug Benefit, 2019

The sample figures shown are for 2019 Part D Standard Benefit Plan cost sharing. In 2019, no Prescription Drug Plans are offering the defined standard benefit. Coverage and cost may vary by product and plan.\(^6\)

#### ANNUAL DEDUCTIBLE
- **COVERAGE GAP**
  - **BRAND**
    - 75% is covered by the Part D plan
    - 70% is covered by the manufacturer discount program
    - 5% is covered by the Part D plan
  - **GENERIC**
    - 25% is covered by the patient
    - 25% is covered by the patient
    - 37% is covered by the patient

#### INITIAL COVERAGE LIMIT
- **BRAND**
  - 100% is covered by the patient
- **GENERIC**
  - 25% is covered by the patient

#### COVERAGE GAP
- **BRAND**
  - 75% is covered by the Part D plan
- **GENERIC**
  - 25% is covered by the Part D plan

#### CATASTROPHIC COVERAGE
- **BRAND**
  - 95% is covered by Medicare and the Part D plan
- **GENERIC**
  - 5% is covered by the patient

| Limits=$415 | Limits=$3820 in total drug costs | Limit=$1000 in TrOOP* spending | Patient pays the greater of 5% or $3.40/$8.50 for each generic and brand-name drug, respectively |

Note: The best source of information about Medicare is the Centers for Medicare & Medicaid Services (CMS). Visit Medicare.gov to learn more.

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\(^1\)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.\(^2\)

\(^6\)Note: The best source of information about Medicare is the Centers for Medicare & Medicaid Services (CMS). Visit Medicare.gov to learn more.
People with limited resources and income may be able to use the LIS program, also known as “Extra Help,” to get assistance with the monthly premiums, annual deductibles and prescription co-pays related to their Medicare Part D plans. LIS is estimated to be worth about $4900 per year for each beneficiary.

Many people who qualify aren’t aware of LIS

About 30% of Part D enrollees currently receive LIS benefits. 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

LIS eligibility criteria and patient costs for 2019*

<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>
<tr>
<td></td>
<td>Annual income† of ≤$16,861.50 for individuals or ≤$22,828.50 for couples</td>
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<tr>
<td></td>
<td>Total assets of ≤$9060 for individuals or ≤$14,340 for couples</td>
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<tr>
<td>Full Assistance LIS</td>
<td>* Annual income† of ≤$18,735 for individuals or ≤$25,365 for couples</td>
</tr>
<tr>
<td></td>
<td>Total assets of ≤$14,100 for individuals or ≤$28,150 for couples</td>
</tr>
<tr>
<td>Partial Assistance LIS</td>
<td>$85 deductible</td>
</tr>
<tr>
<td></td>
<td>15% co-insurance per prescription</td>
</tr>
<tr>
<td></td>
<td>$8.50 co-pay per prescription after the OOP threshold‡</td>
</tr>
</tbody>
</table>

*The OOP amounts shown are for brand-name products.
†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.
‡The 2019 OOP threshold is $5100.10

Considerations for LIS eligibility

Items that count toward assets include real estate (aside from the primary residence), bank accounts, stocks, bonds and saving 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.

Note: The best source of information about Medicare is CMS. Visit medicare.gov to learn more.
DISCUSSING 
MEDICARE WITH YOUR PATIENTS

It may be challenging for patients to understand the complexities of their Medicare coverage. Use the attached tear sheet to help guide your discussions about how Medicare may affect their ability to access their Genentech medicines.

The tear sheet includes:

- A brief overview of the parts of Medicare and the associated costs so you can explain the different plan types
- 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
- Information on the LIS “Extra Help” Program so patients understand that additional help may be available to them
- Helpful insurance terms and definitions

To order more tear pads, please contact your Genentech Field Reimbursement Manager or Genentech representative.

Note: The best source of information about Medicare is CMS. Visit Medicare.gov to learn more.
References:


