

Medicare Part D diabetic member cost sharing: Impact on non-low income members

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Summary

In Medicare Part D, member cost sharing is based on allowed costs before rebates, or gross drug cost. Part D benefit parameters are updated annually so member costs typically do not change significantly from one year to the next. However, as rebates have increased over time, the ratio of member cost sharing to the allowed cost *net* of rebates, or net drug cost, has increased.¹ This is creating an increasing gap between the *gross member share* (member cost sharing as a percentage of gross allowed) and the *net member share* (member cost sharing as a percentage of net allowed) of the Part D benefit. Key findings from our analysis include:

- This growing gap has reduced the value of Part D coverage on a net cost basis for members taking medicines with above average rebates, like insulins and other diabetes medications.
- Plans retain a majority of rebates collected during the deductible, coverage gap, and catastrophic phases of the Part D benefit, even though plans are only responsible for covering a small portion of drug costs during these phases (0%, 5%, and 15%, respectively). These rebates are used to reduce premiums rather than cost sharing.
- Because of this, in 2017, non-low income (NLI) insulin users in the deductible phase paid 149% of the price net of rebates on average for all prescriptions. Assuming rebates continue to grow, these members are expected to pay more than double by 2026.
- In 2020, NLI members will be expected to pay 25% of their gross Part D costs in the coverage gap; however, because rebates received by plans are rarely used to lower member cost sharing, members taking insulin will pay 47% of their total average allowed costs net of rebates, while those taking other diabetes medications will pay 40%.

Background

The Pharmaceutical Research and Manufacturers of America (PhRMA) engaged Milliman to analyze how the value of the Medicare Part D benefit program is changing over time for NLI diabetic members.

Part D member costs vary among different phases of the benefit. The benefit phases and standard cost sharing for 2019, as defined by the Centers for Medicare and Medicaid Services (CMS), are as follows:

- **Deductible phase:** A \$415 deductible during which members pay 100% of allowed claim costs.
- **Initial coverage phase:** Members pay 25% of allowed claim costs with plan sponsors paying the remaining 75% until the initial coverage limit (ICL) of \$3,820 in total allowed costs is reached.
- **Coverage gap phase:** In this phase, members pay 25% of brand costs and 37% of generic costs. Pharmaceutical manufacturers provide a discount of 70% for most brand medications filled by NLI members during this phase. This is known as the Coverage Gap Discount Program (CGDP). Plan sponsors pay 63% of generic costs and the remaining 5% of brand costs within this phase.
- **Catastrophic phase:** Once a member's out-of-pocket spending reaches a catastrophic threshold (\$5,100 in combined member and CGDP spending), the member enters the final phase, known as the catastrophic or reinsurance phase. After this point, members pay roughly 5% coinsurance, plan sponsors pay approximately 15%, and the federal government pays the remaining 80% of claim costs through federal reinsurance subsidy payments to plan sponsors.

In this paper, we explore how member cost sharing has changed over time (measured relative to total gross costs as well as net costs after rebates) for Part D NLI members taking diabetic medications. Low income members receive cost sharing subsidies relative to the benefit described above and as such, were not considered as part of our analysis.

¹ We use the term "net drug costs" in this paper to represent gross allowed costs minus total rebates. This is different from how the term may be used in other contexts. For example, this term is not the same as net plan liability, which represents the amount of a plan's financial obligation for paying Part D claims.

Results

Part D diabetic costs

Figure 1 shows estimated ranges of gross allowed costs, rebates, net allowed costs (gross allowed costs minus rebates), and member cost sharing, all stated on a per member per month (PMPM) basis for NLI members. We show results separately for two diabetic subpopulations—those who take insulins and those who take other diabetic medications. We identified diabetic members based on Part D medication use as available in our data set (rather than by diagnosis coding, for example). The results are shown for one in every three years, but the pattern and results are similar for other years not shown.

In Figure 1, allowed costs include all Part D spending for these members, not just diabetic medication spending. Member cost sharing is based on the CMS defined standard Part D benefit for each year and does not include CGDP payments from manufacturers². Member cost sharing decreases from 2010 to 2019 because the CGDP was introduced and the coverage gap was gradually closed during this period.

FIGURE 1: CHANGE IN PART D PMPM SPENDING OVER TIME FOR NLI DIABETIC MEDICATION USERS

Year	Insulin Users				Other Diabetic Medication Users			
	Gross Allowed	Rebates	Net Allowed [†]	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed [†]	Member Cost Sharing
2008	\$474	\$27	\$447	\$219	\$303	\$11	\$292	\$142
2011	\$588	\$46	\$542	\$189	\$356	\$20	\$335	\$123
2014	\$577	\$101	\$476	\$172	\$315	\$39	\$276	\$103
2017	\$590	\$204	\$385	\$159	\$321	\$82	\$239	\$92
2020	\$715	\$335	\$379	\$164	\$371	\$126	\$244	\$96
2023	\$815	\$407	\$408	\$189	\$412	\$151	\$261	\$107
2026	\$942	\$493	\$449	\$218	\$479	\$187	\$291	\$124

[†]Net allowed = gross allowed minus rebates. Values may not tie due to rounding.

Figure 1 shows insulin users have higher gross costs than other diabetics. This is partially offset by higher rebates associated with these members, though both net costs and member cost sharing are higher (on average) for insulin users. For comparison, we also provide the same results for the full Part D population in Appendix A. The appendix also contains the results in Figure 1 broken out by Part D benefit phase.

Value of the Part D benefit for diabetics

Figures 2 and 3 illustrate diabetic member cost sharing by year in all phases of the Part D benefit and by coverage phase, both before and after rebates, under a defined standard plan design. Appendix B shows the same information for the full Part D population. The percentages in the tables are calculated as follows:

Gross = Member cost sharing / Gross allowed costs

Net = Member cost sharing / (Gross allowed costs minus rebates)

For example, using the 2020 values for insulin users in Figure 1, the gross member share in Figure 2 (all phases) is calculated as \$164 / \$715 = 23%. Similarly, the net member share is calculated as \$164 / \$379 = 43%.

FIGURE 2: EFFECTIVE MEMBER SHARE OVER TIME FOR NLI INSULIN USERS

Year	Deductible Phase			Initial Coverage Phase			Coverage Gap Phase			Catastrophic Phase			All Phases		
	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.
2008	100%	106%	6%	25%	26%	1%	100%	106%	6%	5%	6%	0%	46%	49%	3%
2011	100%	108%	8%	25%	27%	2%	57%	62%	5%	5%	6%	0%	32%	35%	3%
2014	100%	120%	20%	25%	30%	5%	51%	62%	11%	5%	7%	1%	30%	36%	6%
2017	100%	149%	49%	25%	38%	13%	41%	63%	22%	5%	8%	3%	27%	41%	14%
2020	100%	182%	82%	25%	46%	21%	25%	47%	22%	5%	11%	5%	23%	43%	20%
2023	100%	192%	92%	25%	49%	24%	25%	50%	25%	5%	11%	6%	23%	46%	23%
2026	100%	201%	101%	25%	51%	26%	25%	53%	28%	5%	12%	6%	23%	49%	25%

FIGURE 3: EFFECTIVE MEMBER SHARE OVER TIME FOR NLI OTHER DIABETIC MEDICATION USERS

² Most NLI beneficiaries are enrolled in enhanced alternative plans. We performed this analysis on both a standard Part D and a representative average enhanced alternative design. We found the differential between gross and net allowed costs increased over time similarly for both plan designs. We present this analysis for a standard Part D design for simplicity.

Year	Deductible Phase			Initial Coverage Phase			Coverage Gap Phase			Catastrophic Phase			All Phases		
	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.
2008	100%	102%	2%	25%	26%	1%	100%	104%	4%	5%	5%	0%	47%	49%	2%
2011	100%	104%	4%	25%	26%	1%	59%	63%	4%	5%	6%	0%	35%	37%	2%
2014	100%	108%	8%	25%	28%	3%	52%	61%	8%	5%	6%	1%	33%	37%	5%
2017	100%	120%	20%	25%	33%	8%	41%	57%	16%	5%	7%	2%	29%	39%	10%
2020	100%	130%	30%	25%	37%	12%	25%	40%	15%	5%	9%	3%	26%	39%	13%
2023	100%	134%	34%	25%	38%	13%	25%	41%	16%	5%	9%	4%	26%	41%	15%
2026	100%	138%	38%	25%	40%	15%	25%	43%	18%	5%	9%	4%	26%	42%	17%

In total across all phases, the figures show the gross member share for Part D diabetics decreases each year through 2020 as the coverage gap closes, and is expected to stabilize in future years. Cost sharing as a percentage of net allowed costs, however, follows a different pattern, decreasing in 2011 as the coverage gap began to close, but increasing thereafter because rebates increase faster than the increase in allowed costs. Rebates reduce the plan's portion of claim liability, yet do not directly affect the member's portion of cost sharing.

In particular, Figures 2 and 3 show the net member share is greater than 100% in the deductible phase. The following is an illustrative example, not based on any specific medication price or rebate contract, showing how member cost sharing can exceed 100% of net allowed cost in the deductible phase:

- Allowed cost for the medication: \$100
- Gross member share (member pays full cost in the deductible): \$100
- Manufacturer rebate of 50%: $50\% \times \$100 = \50
- Net allowed cost: $\$100 - \$50 = \$50$
- **Net member share: $\$100 / \$50 = 200\%$**

While this effect is most extreme in the deductible phase when members pay 100% of gross allowed costs, this leveraged effect of member cost sharing as a percentage of net allowed costs can be seen in all phases in Figures 2 and 3.

Across all benefit phases, there is a growing differential between member costs expressed on a gross versus net basis as rebates increase over time. This suggests that the value of the Part D benefit over time is not as great as it might seem when only considering gross costs (and it is measured on a gross basis for pricing and benefit design equivalence purposes).³ This differential is especially marked among the NLI diabetic population (the differential is projected to be 25% and 17% in 2026 for insulin users and all other diabetics, respectively) compared with the general NLI population (projected differential of 13% in 2026, as seen in Appendix B). The gap is more pronounced among the NLI diabetic population because rebates on diabetic medications tend to be much higher than average rebate levels across all Part D drugs. We based overall rebate levels on Milliman bid survey data through 2019, and assumed future rebates would continue to grow but at a slower rate than in recent years.

The net member share for NLI insulin users is expected to be about 43% by 2020, and this is projected to be 49% by 2026. Similarly, the net member share for other NLI diabetic users is expected to be about 39% of net costs in 2020 and 42% in 2026. This is in contrast to the gross member share of approximately 23% to 26% for these members.

In the deductible, initial coverage, and catastrophic phases, gross member share is stable over time, consistent with the defined standard benefit design. Cost sharing in the coverage gap phase decreases and stabilizes as the coverage gap closes. On the other hand, net member share increases over time in all phases. This is because rebates have increased each year leading up to 2019 (and are expected to continue to increase absent any regulatory changes), which reduces the net allowed cost but does not affect the member's portion of cost sharing. In particular, rebates on diabetic medications (and especially insulins) grew significantly over time, at an even faster rate than total rebate growth. For example, in the deductible phase, the member actually pays more than net allowed costs. Additionally, cost sharing as a percentage of net costs is expected to grow to over 50% in the initial coverage and gap phases for insulin users by 2026.

³ MedPAC has proposed including rebates in the calculation of actuarial value to determine actuarial equivalence. See http://medpac.gov/docs/default-source/comment-letters/01032018_partc_d_comment_v2_sec.pdf?sfvrsn=0.

Methodology and Assumptions

We used Milliman's 2019 Part D Analysis and Rating Tool to complete this analysis. This model is loaded with Milliman manual rate data and is used for the vast majority of all Milliman Part D bids. For this analysis, we identified NLI members as diabetic based solely on their Part D income status and claim history, without reference to any medical diagnosis coding. Within the identified diabetic population, we assigned a member to the insulin subpopulation if the member filled at least two insulin scripts in the experience. Similarly, we assigned a member to the other diabetic subpopulation if the member filled at least two other diabetic scripts. Members can fall into both subpopulations if they filled at least two of each type of script. We identified medications as insulin or other diabetic scripts based on input from our clinical experts.

For 2019, we used the diabetic-only NLI manual rate data described above and applied trend and generic pipeline changes. We applied assumptions from a Milliman study (the 2018 Medicare Part D Contract Survey), which compiled the assumptions underlying Part D plan sponsors' 2019 bid development. We modeled the 2019 defined standard benefit as well as a representative 2019 enhanced alternative benefit. Because results between the two plan designs were similar, we only show results for the defined standard benefit. We calibrated the gross and net allowed amounts and bid components to the 2019 national average bid and member premium released by CMS.

For 2006 to 2017 values, we started with the 2019 estimate and calibrated the model retrospectively based on historical national averages by backing out historical trends. We applied the defined standard benefit for each year and used contracting, non-benefit expense, and rebate assumptions from the Medicare Part D Contract Survey of the appropriate year when available. In 2020 and future years, we applied annual trends to gross costs and the Part D benefit parameters using information from the 2018 Medicare Trustees report.

We estimated rebate levels for the general population using Milliman survey data through 2019. In 2020 and future years, we assumed rebates for the general population would increase by an additive 0.8% per year—note that this is a smaller increase than in many of the past several years, but we assume rebate growth will slow in future years. We allocated rebates to each coverage phase based on the percentage of brand spend. For the diabetic populations, we applied different rebate levels using information from a 2018 Credit Suisse report on rebate levels by class⁴. We used specific rebate amounts for insulins, other diabetic medications, and all other brands, while ensuring the overall values calibrated to our expected total Medicare Part D rebate levels in each year.

Note that our results are very sensitive to the level of rebates assumed. There is very little public data available on rebate levels, particularly at a therapeutic class level, specific to Part D. We believe the rebate levels assumed reasonably demonstrate the difference in member costs on a gross versus net basis, though different rebate levels over time could produce different magnitudes for the gross to net impact. We modeled rebates consistent with the current Part D environment. We did not account for any changes that could result from the recent proposed rules, which could require both manufacturer and pharmacy rebates to be reflected at the point of sale^{5,6}.

Caveats, Limitations, and Qualifications

This report was developed to estimate the value of the Part D benefit for diabetic members over time. This information may not be appropriate, and should not be used, for other purposes. This report is provided for PhRMA, but PhRMA may share this information with external parties with Milliman's permission. We do not intend this information to benefit, and assume no duty or liability to, any third party that receives this work product. Any third party recipient of this report who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its specific needs. Any releases of this report to a third party should be in its entirety.

In preparing our analysis, we relied upon public information from CMS and others, and a Milliman claim database of nationwide Medicare claims. Actual results will vary for specific health plans due to differences in population health status and demographics, benefit designs, and formulary structures, among other differences. We are not attorneys and do not intend to provide any legal advice or expertise related to the topics discussed here. The opinions included here are ours alone and not necessarily those of Milliman.

⁴ Harper, R., Huynh, T., Walton, J., & Weston, M., PhD (August 23, 2018). Pharma Food for Thought.

⁵ CMS (November 30, 2018). Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses. Federal Register. Retrieved February 18, 2019, from <https://www.federalregister.gov/documents/2018/11/30/2018-25945/modernizing-part-d-and-medicare-advantage-to-lower-drug-prices-and-reduce-out-of-pocket-expenses>.

⁶ U.S. Department of Health and Human Services (February 6, 2019). Fraud and Abuse; Removal of Safe Harbor Protection for Rebates Involving Prescription Pharmaceuticals and Creation of New Safe Harbor Protection for Certain Point-of-Sale Reductions in Price on Prescription Pharmaceuticals and Certain Pharmacy Benefit Manager Services Fees. Federal Register. Retrieved February 18, 2019, from <https://www.govinfo.gov/content/pkg/FR-2019-02-06/pdf/2019-01026.pdf>.

We are actuaries for Milliman, members of the American Academy of Actuaries, and meet the qualification standards of the Academy to render the actuarial opinion contained herein. To the best of our knowledge and belief, this information is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. This information has been prepared under the terms of the master services agreement between Milliman and PhRMA, effective January 19, 2016 and extended effective December 19, 2018.



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APPENDIX A

FIGURE A-1: CHANGE IN PART D PMPM SPENDING OVER TIME FOR NON-LOW INCOME INSULIN USERS

Year	Deductible Phase				Initial Coverage Phase				Coverage Gap Phase				Catastrophic Phase				All Phases			
	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing
2008	\$24-\$25	\$1-\$1	\$22-\$23	\$24-\$25	\$175-\$182	\$10-\$10	\$165-\$172	\$44-\$46	\$140-\$146	\$8-\$8	\$132-\$137	\$140-\$146	\$125-\$131	\$8-\$8	\$118-\$123	\$6-\$7	\$464-\$483	\$27-\$28	\$438-\$456	\$214-\$223
2011	\$27-\$28	\$2-\$2	\$25-\$26	\$27-\$28	\$200-\$209	\$15-\$16	\$185-\$193	\$50-\$52	\$172-\$179	\$14-\$14	\$159-\$165	\$99-\$103	\$177-\$184	\$15-\$15	\$163-\$169	\$9-\$10	\$576-\$600	\$45-\$47	\$531-\$553	\$185-\$193
2014	\$27-\$28	\$4-\$5	\$22-\$23	\$27-\$28	\$196-\$204	\$33-\$34	\$163-\$170	\$49-\$51	\$162-\$169	\$29-\$30	\$133-\$139	\$83-\$86	\$180-\$188	\$33-\$34	\$147-\$153	\$10-\$10	\$566-\$589	\$99-\$103	\$466-\$485	\$169-\$176
2017	\$34-\$36	\$11-\$12	\$23-\$24	\$34-\$36	\$225-\$235	\$76-\$79	\$150-\$156	\$56-\$59	\$134-\$139	\$47-\$49	\$87-\$91	\$55-\$57	\$184-\$192	\$67-\$69	\$118-\$123	\$10-\$10	\$578-\$602	\$200-\$209	\$378-\$393	\$156-\$162
2020	\$37-\$39	\$17-\$17	\$21-\$21	\$37-\$39	\$256-\$267	\$117-\$122	\$139-\$145	\$64-\$67	\$190-\$198	\$90-\$93	\$100-\$104	\$47-\$49	\$217-\$226	\$105-\$109	\$112-\$117	\$12-\$12	\$700-\$729	\$329-\$342	\$372-\$387	\$161-\$167
2023	\$45-\$46	\$21-\$22	\$23-\$24	\$45-\$46	\$299-\$311	\$146-\$152	\$154-\$160	\$75-\$78	\$210-\$218	\$106-\$110	\$104-\$108	\$52-\$54	\$245-\$255	\$126-\$131	\$119-\$124	\$13-\$14	\$798-\$831	\$398-\$415	\$400-\$416	\$185-\$193
2026	\$52-\$55	\$26-\$27	\$26-\$27	\$52-\$55	\$348-\$363	\$178-\$186	\$170-\$177	\$87-\$91	\$238-\$248	\$126-\$131	\$112-\$117	\$59-\$62	\$284-\$296	\$152-\$159	\$132-\$137	\$15-\$16	\$923-\$961	\$483-\$502	\$440-\$458	\$214-\$223

Net allowed = gross allowed minus rebates. Values may not tie due to rounding. Member cost sharing in the coverage gap phase is exclusive of the CGDP.

FIGURE A-2: CHANGE IN PART D PMPM SPENDING OVER TIME FOR NON-LOW INCOME OTHER DIABETIC MEDICATION USERS

Year	Deductible Phase				Initial Coverage Phase				Coverage Gap Phase				Catastrophic Phase				All Phases			
	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing
2008	\$23-\$24	\$1-\$1	\$22-\$23	\$23-\$24	\$119-\$123	\$4-\$4	\$115-\$120	\$30-\$31	\$83-\$86	\$3-\$4	\$80-\$83	\$83-\$86	\$72-\$75	\$3-\$3	\$69-\$72	\$4-\$4	\$296-\$309	\$11-\$11	\$286-\$298	\$139-\$145
2011	\$25-\$26	\$1-\$1	\$25-\$26	\$25-\$26	\$133-\$139	\$6-\$7	\$127-\$132	\$33-\$35	\$97-\$101	\$6-\$6	\$90-\$94	\$57-\$60	\$93-\$97	\$6-\$7	\$87-\$90	\$5-\$5	\$348-\$363	\$20-\$21	\$329-\$342	\$121-\$126
2014	\$25-\$26	\$2-\$2	\$23-\$24	\$25-\$26	\$123-\$128	\$13-\$13	\$110-\$114	\$31-\$32	\$77-\$80	\$11-\$11	\$67-\$69	\$41-\$42	\$84-\$88	\$13-\$13	\$71-\$74	\$5-\$5	\$309-\$322	\$38-\$40	\$271-\$282	\$101-\$105
2017	\$31-\$32	\$5-\$5	\$25-\$27	\$31-\$32	\$124-\$129	\$29-\$30	\$95-\$99	\$31-\$32	\$57-\$59	\$16-\$16	\$41-\$43	\$24-\$25	\$103-\$108	\$30-\$32	\$73-\$76	\$5-\$6	\$314-\$327	\$80-\$83	\$234-\$244	\$91-\$94
2020	\$33-\$35	\$8-\$8	\$26-\$27	\$33-\$35	\$139-\$145	\$44-\$46	\$95-\$99	\$35-\$36	\$79-\$82	\$29-\$30	\$50-\$52	\$20-\$20	\$112-\$117	\$43-\$45	\$69-\$72	\$6-\$6	\$363-\$378	\$124-\$129	\$239-\$249	\$94-\$97
2023	\$39-\$41	\$10-\$10	\$29-\$30	\$39-\$41	\$156-\$163	\$53-\$56	\$103-\$107	\$39-\$41	\$80-\$83	\$32-\$33	\$48-\$50	\$20-\$21	\$129-\$134	\$53-\$56	\$75-\$78	\$7-\$7	\$404-\$421	\$148-\$154	\$256-\$266	\$105-\$109
2026	\$45-\$47	\$12-\$13	\$33-\$34	\$45-\$47	\$181-\$188	\$66-\$69	\$114-\$119	\$45-\$47	\$92-\$95	\$38-\$40	\$53-\$55	\$23-\$24	\$152-\$158	\$66-\$69	\$86-\$89	\$8-\$8	\$469-\$488	\$184-\$191	\$286-\$297	\$121-\$126

Net allowed = gross allowed minus rebates. Values may not tie due to rounding. Member cost sharing in the coverage gap phase is exclusive of the CGDP.

FIGURE A-3: CHANGE IN PART D PMPM SPENDING OVER TIME FOR ALL NON-LOW INCOME MEMBERS

Year	Deductible Phase				Initial Coverage Phase				Coverage Gap Phase				Catastrophic Phase				All Phases			
	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing	Gross Allowed	Rebates	Net Allowed	Member Cost Sharing
2008	\$20-\$20	\$0-\$0	\$19-\$20	\$20-\$20	\$78-\$81	\$2-\$2	\$76-\$79	\$20-\$20	\$43-\$45	\$2-\$2	\$42-\$43	\$43-\$45	\$31-\$32	\$1-\$1	\$30-\$31	\$2-\$2	\$172-\$179	\$5-\$5	\$167-\$174	\$84-\$87
2011	\$22-\$23	\$1-\$1	\$21-\$22	\$22-\$23	\$88-\$92	\$4-\$4	\$84-\$88	\$22-\$23	\$50-\$52	\$3-\$3	\$47-\$49	\$30-\$31	\$41-\$42	\$3-\$3	\$38-\$40	\$2-\$2	\$201-\$209	\$10-\$11	\$191-\$199	\$76-\$79
2014	\$21-\$22	\$1-\$1	\$20-\$21	\$21-\$22	\$77-\$80	\$7-\$7	\$70-\$73	\$19-\$20	\$36-\$37	\$4-\$5	\$32-\$33	\$19-\$20	\$45-\$46	\$6-\$6	\$38-\$40	\$2-\$2	\$179-\$186	\$19-\$19	\$160-\$167	\$62-\$64
2017	\$25-\$26	\$3-\$3	\$21-\$22	\$25-\$26	\$71-\$74	\$14-\$14	\$57-\$60	\$18-\$18	\$23-\$24	\$6-\$6	\$18-\$18	\$10-\$10	\$72-\$74	\$18-\$19	\$53-\$55	\$4-\$4	\$191-\$198	\$41-\$43	\$150-\$156	\$56-\$58
2020	\$27-\$28	\$5-\$5	\$22-\$23	\$27-\$28	\$81-\$84	\$20-\$21	\$60-\$63	\$20-\$21	\$32-\$33	\$10-\$10	\$22-\$23	\$8-\$8	\$75-\$78	\$25-\$26	\$51-\$53	\$4-\$4	\$215-\$223	\$60-\$62	\$155-\$161	\$59-\$61
2023	\$32-\$33	\$6-\$7	\$25-\$26	\$32-\$33	\$93-\$97	\$26-\$27	\$68-\$70	\$23-\$24	\$36-\$38	\$12-\$13	\$24-\$25	\$9-\$9	\$92-\$95	\$32-\$33	\$59-\$62	\$5-\$5	\$253-\$263	\$76-\$80	\$176-\$183	\$69-\$72
2026	\$37-\$38	\$8-\$9	\$28-\$29	\$37-\$38	\$108-\$112	\$32-\$34	\$75-\$78	\$27-\$28	\$42-\$43	\$15-\$15	\$27-\$28	\$10-\$11	\$109-\$113	\$40-\$42	\$68-\$71	\$6-\$6	\$294-\$306	\$96-\$100	\$198-\$206	\$80-\$83

Net allowed = gross allowed minus rebates. Values may not tie due to rounding. Member cost sharing in the coverage gap phase is exclusive of the CGDP.

APPENDIX B

FIGURE B-1: EFFECTIVE MEMBER SHARE OVER TIME FOR NON-LOW INCOME INSULIN USERS

Year	Deductible Phase			Initial Coverage Phase			Coverage Gap Phase ¹			Catastrophic Phase			All Phases		
	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.
2008	100%	106%	6%	25%	26%	1%	100%	106%	6%	5%	6%	0%	46%	49%	3%
2011	100%	108%	8%	25%	27%	2%	57%	62%	5%	5%	6%	0%	32%	35%	3%
2014	100%	120%	20%	25%	30%	5%	51%	62%	11%	5%	7%	1%	30%	36%	6%
2017	100%	149%	49%	25%	38%	13%	41%	63%	22%	5%	8%	3%	27%	41%	14%
2020	100%	182%	82%	25%	46%	21%	25%	47%	22%	5%	11%	5%	23%	43%	20%
2023	100%	192%	92%	25%	49%	24%	25%	50%	25%	5%	11%	6%	23%	46%	23%
2026	100%	201%	101%	25%	51%	26%	25%	53%	28%	5%	12%	6%	23%	49%	25%

Net allowed = gross allowed minus rebates. Values may not tie due to rounding. Member cost sharing in the coverage gap phase is exclusive of the CGDP.

FIGURE B-2: EFFECTIVE MEMBER SHARE OVER TIME FOR NON-LOW INCOME OTHER DIABETIC MEDICATION USERS

Year	Deductible Phase			Initial Coverage Phase			Coverage Gap Phase ¹			Catastrophic Phase			All Phases		
	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.
2008	100%	102%	2%	25%	26%	1%	100%	104%	4%	5%	5%	0%	47%	49%	2%
2011	100%	104%	4%	25%	26%	1%	59%	63%	4%	5%	6%	0%	35%	37%	2%
2014	100%	108%	8%	25%	28%	3%	52%	61%	8%	5%	6%	1%	33%	37%	5%
2017	100%	120%	20%	25%	33%	8%	41%	57%	16%	5%	7%	2%	29%	39%	10%
2020	100%	130%	30%	25%	37%	12%	25%	40%	15%	5%	9%	3%	26%	39%	13%
2023	100%	134%	34%	25%	38%	13%	25%	41%	16%	5%	9%	4%	26%	41%	15%
2026	100%	138%	38%	25%	40%	15%	25%	43%	18%	5%	9%	4%	26%	42%	17%

Net allowed = gross allowed minus rebates. Values may not tie due to rounding. Member cost sharing in the coverage gap phase is exclusive of the CGDP.

FIGURE B-3: EFFECTIVE MEMBER SHARE OVER TIME FOR ALL NON-LOW INCOME MEMBERS

Year	Deductible Phase			Initial Coverage Phase			Coverage Gap Phase			Catastrophic Phase			All Phases		
	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.	Gross	Net	Diff.
2008	100%	102%	2%	25%	26%	1%	100%	104%	4%	5%	5%	0%	49%	50%	1%
2011	100%	103%	3%	25%	26%	1%	59%	63%	4%	5%	6%	0%	38%	40%	2%
2014	100%	107%	7%	25%	27%	2%	52%	60%	7%	5%	6%	1%	35%	39%	4%
2017	100%	116%	16%	25%	31%	6%	41%	54%	13%	5%	7%	2%	29%	37%	8%
2020	100%	122%	22%	25%	33%	8%	25%	36%	11%	5%	8%	3%	27%	38%	11%
2023	100%	126%	26%	25%	35%	10%	25%	37%	12%	5%	8%	3%	27%	39%	12%
2026	100%	129%	29%	25%	36%	11%	25%	39%	14%	5%	8%	3%	27%	40%	13%

Net allowed = gross allowed minus rebates. Values may not tie due to rounding. Member cost sharing in the coverage gap phase is exclusive of the CGDP.