

# Medicare and People With HIV

Presentation for the Illinois Public Health Association

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**KFF**

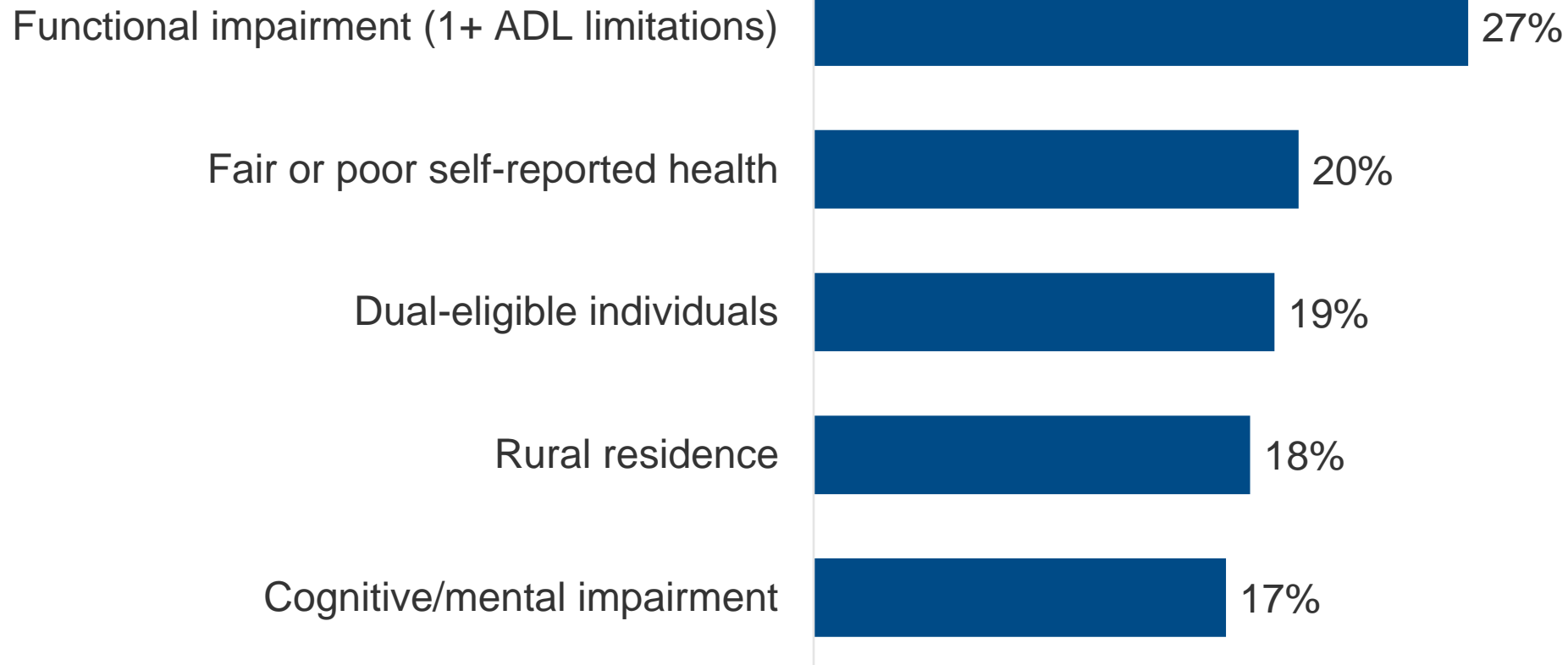
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# Medicare: An Overview

- National health insurance program with defined benefits. Medicare currently **covers 67 million people**—60 million of whom are ages 65 and older and 7 million are younger adults with permanent disabilities
- Individuals become **entitled to Medicare** if they meet certain criteria
  - Have earned 40+ quarters – paid payroll taxes for 10 or more years
  - Are citizens or permanent residents
  - Age 65 or older
  - Or have received Social Security Disability Insurance payments for 24 months or have ESRD or ALS
- Individuals are eligible for Medicare without regard to income (not means-tested) or health status

# Some on Medicare Enjoy Good Health, but Many Have Significant Health Impairments and Limited Financial Resources

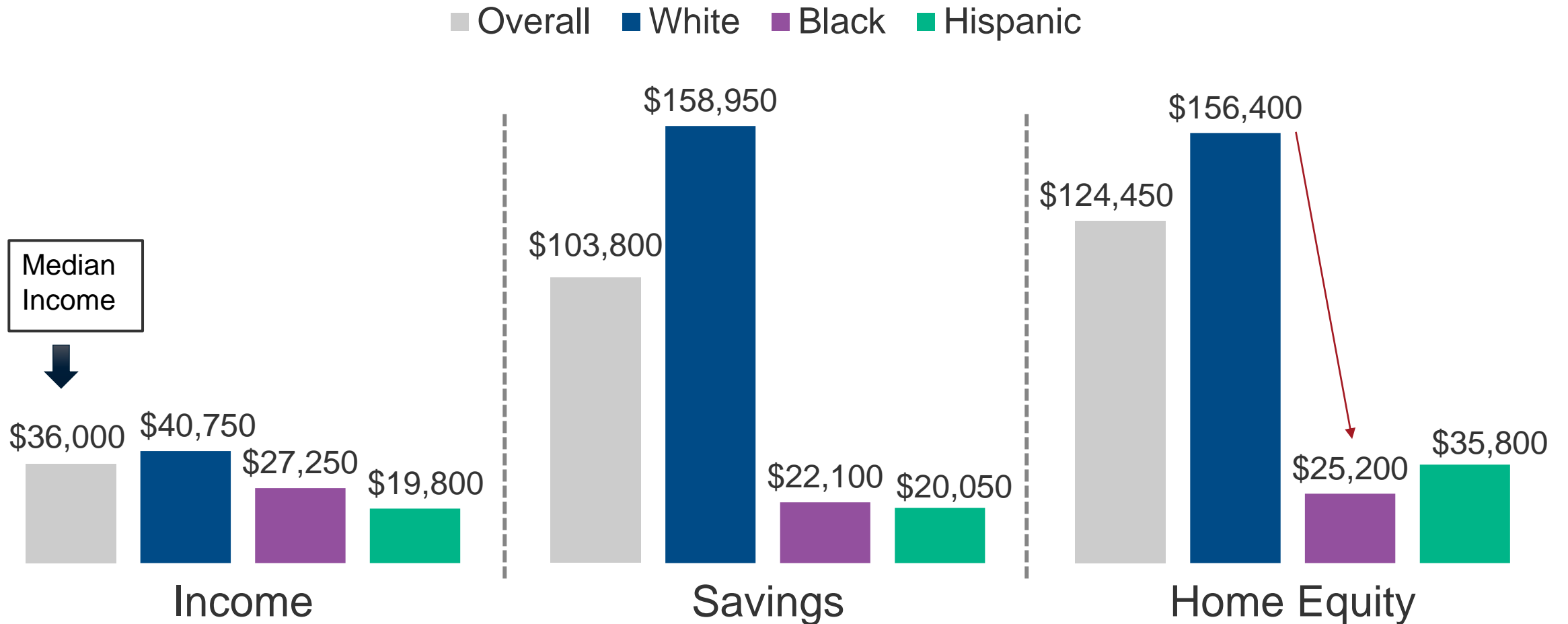
*Percent of all Medicare beneficiaries:*



Note: ADL is Activities of Daily Living.

Source: KFF analysis of CMS Medicare Current Beneficiary Survey, 2021 Survey File.

# Half of All Medicare Beneficiaries Lived on Incomes of \$36,000 or Less and Had Savings of \$103,800 or Less Per Person in 2023



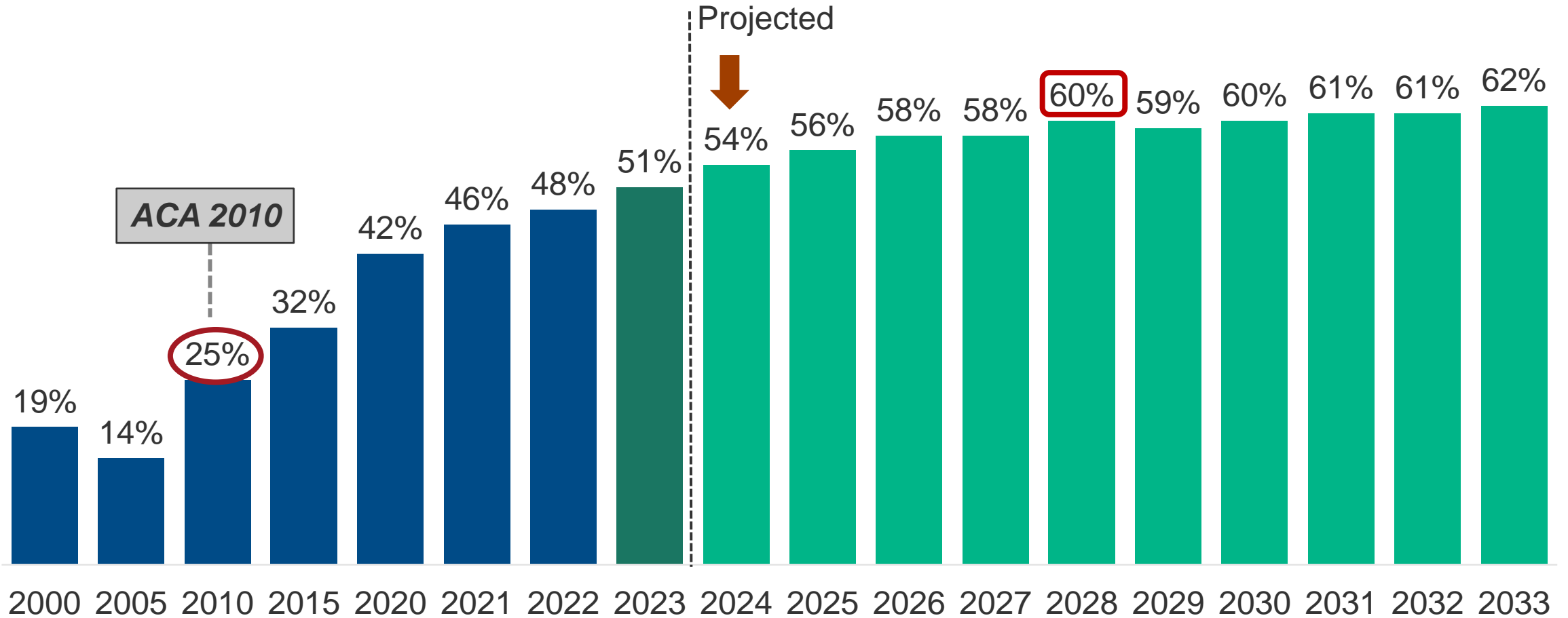
Source: KFF, "Income and Assets of Medicare Beneficiaries in 2023," February 2023.

# What Benefits Are Covered by Medicare?

- **Part A** covers inpatient hospital care, skilled nursing facility care, hospice care, and some home health services
- **Part B** covers physician services, outpatient hospital care, preventive services, diagnostic procedures & durable medical equipment
- **Part C** are Medicare Advantage plans, mainly HMOs and PPOs, offered by private insurers that receive payments from Medicare to provide Medicare benefits (A, B and often D) to enrollees
- **Part D** covers prescription drugs provided by private plans that contract with Medicare, including stand-alone prescription drug plans and Medicare Advantage plans



# More Than Half of Eligible Medicare Beneficiaries Are Enrolled in Medicare Advantage This Year



Source: KFF, "Medicare Advantage in 2023: Enrollment Update and Key Trends," August 2023.

# 10 Reasons Why Medicare Advantage Enrollment May Rise Faster than Projected

1. **Extra benefits**, such as dental, vision, etc.
2. **No or low supplemental monthly premiums**
3. **Rising Part D premiums people for stand-alone Medicare drug plans**
4. Annual **out-of-pocket limit** in Medicare Advantage but not in traditional Medicare
5. The simplicity and convenience of **one-stop shopping**
6. **Aggressive marketing** by Medicare Advantage health insurers
7. Broker **commission structure** rewards Medicare Advantage sales
8. Employers are shifting groups of Medicare-age **retirees to Medicare Advantage**
9. **No guarantee issue protections for Medigap** that supplements traditional Medicare
10. Beneficiaries **not well informed about the tradeoffs**

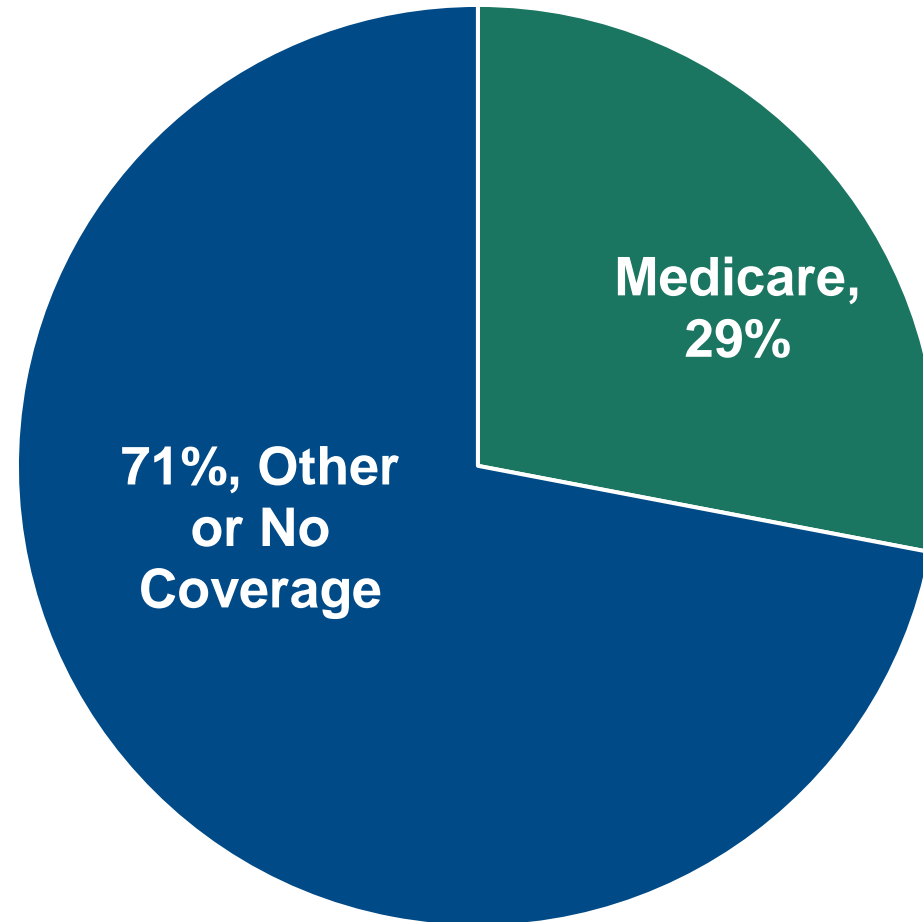
# Some Tradeoffs Associated with Medicare Advantage That Matter Most to People with Serious Illnesses

- **Prior Authorization** – hassles and potential delays in getting needed care
- **Delays in getting care due to required approvals**
- **Denials** (few appeal, but most appealed denials are overturned)
- **Network restrictions** that may impact access to specialists, academic medical centers, cancer hospitals
- **No choice of formularies**, in contrast to people with traditional Medicare
- **Potentially higher out-of-pocket costs** than traditional Medicare with supplemental coverage



# Medicare and People with HIV

# More Than One-Quarter of Adults with HIV Have Medicare Coverage



# Medicare Eligibility for People with HIV

77% of beneficiaries with HIV originally qualified via disability pathway

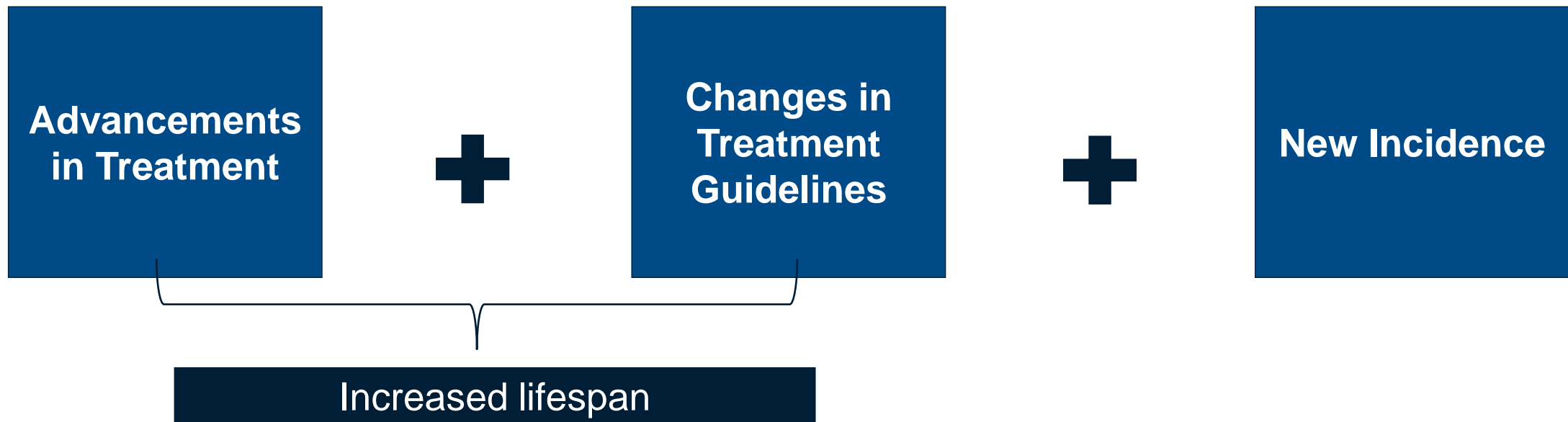
vs. 22% of beneficiaries overall

*But* share originally qualifying based on age rose from 14% in 2015 to 23% in 2020

Reflects  
effective  
treatment

# Number of Traditional Medicare Beneficiaries with HIV Has More Than Doubled Since the Mid-1990s

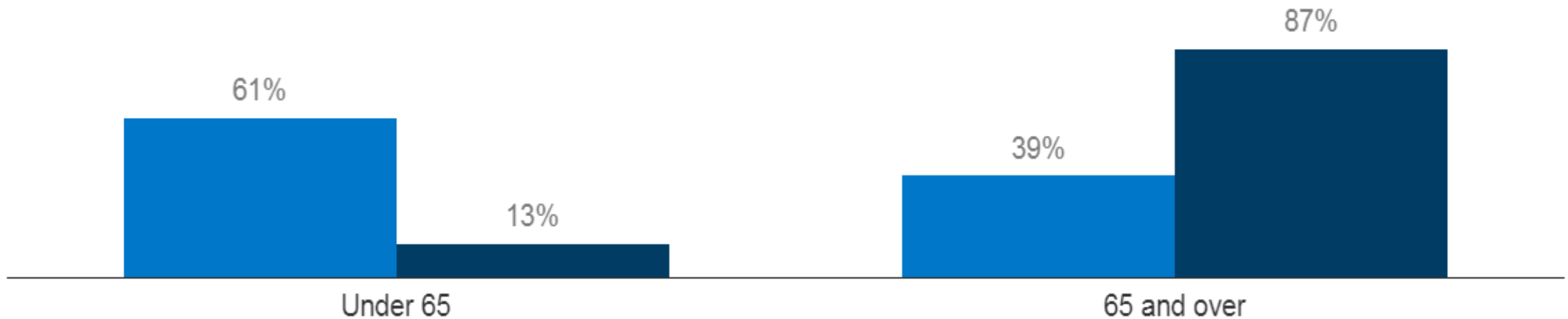
- Increasing from 42,500 in 1997 to 103,400 in 2020 (143%↑)
- Many thousands more in Medicare Advantage



# Compared to Traditional Medicare Beneficiaries Overall, Those with HIV are More Likely to be Under Age 65, Male, and Black or Hispanic

Age Gender Race/Ethnicity

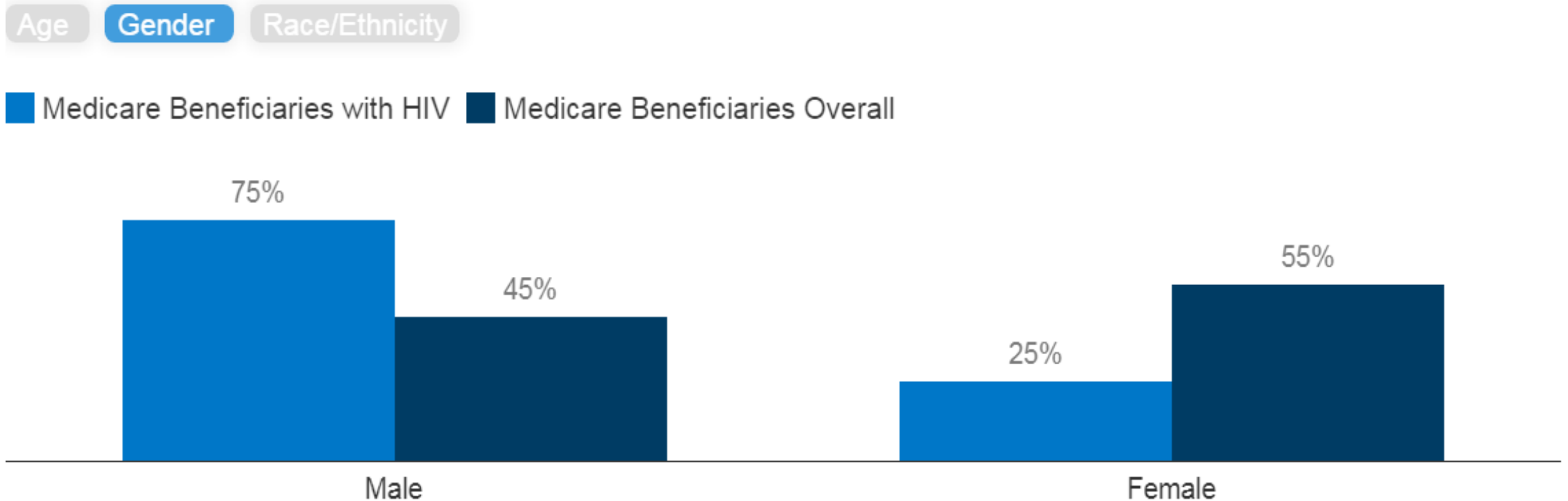
■ Medicare Beneficiaries with HIV ■ Medicare Beneficiaries Overall



Note: Weighted count of traditional Medicare population is 30,973,510 beneficiaries; Weighted count of traditional Medicare beneficiaries with HIV is 103,365 beneficiaries.

Source: KFF. Medicare and People with HIV, 2023. <https://www.kff.org/hiv/aids/issue-brief/medicare-and-people-with-hiv/>

# Compared to Traditional Medicare Beneficiaries Overall, Those with HIV are More Likely to be Under Age 65, Male, and Black or Hispanic



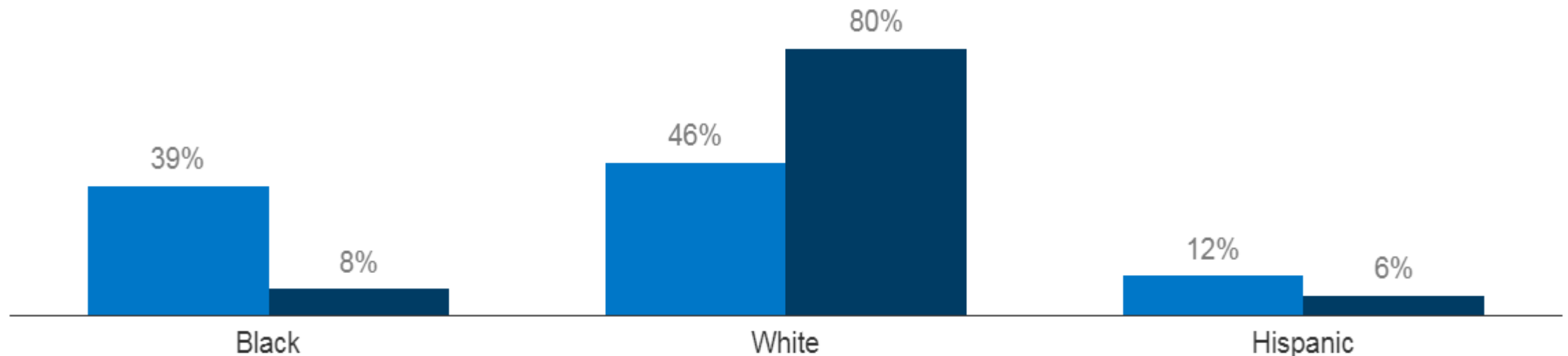
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Source: KFF. Medicare and People with HIV, 2023. <https://www.kff.org/hivaids/issue-brief/medicare-and-people-with-hiv/>

# Compared to Traditional Medicare Beneficiaries Overall, Those with HIV are More Likely to be Under Age 65, Male, and Black or Hispanic

Age Gender **Race/Ethnicity**

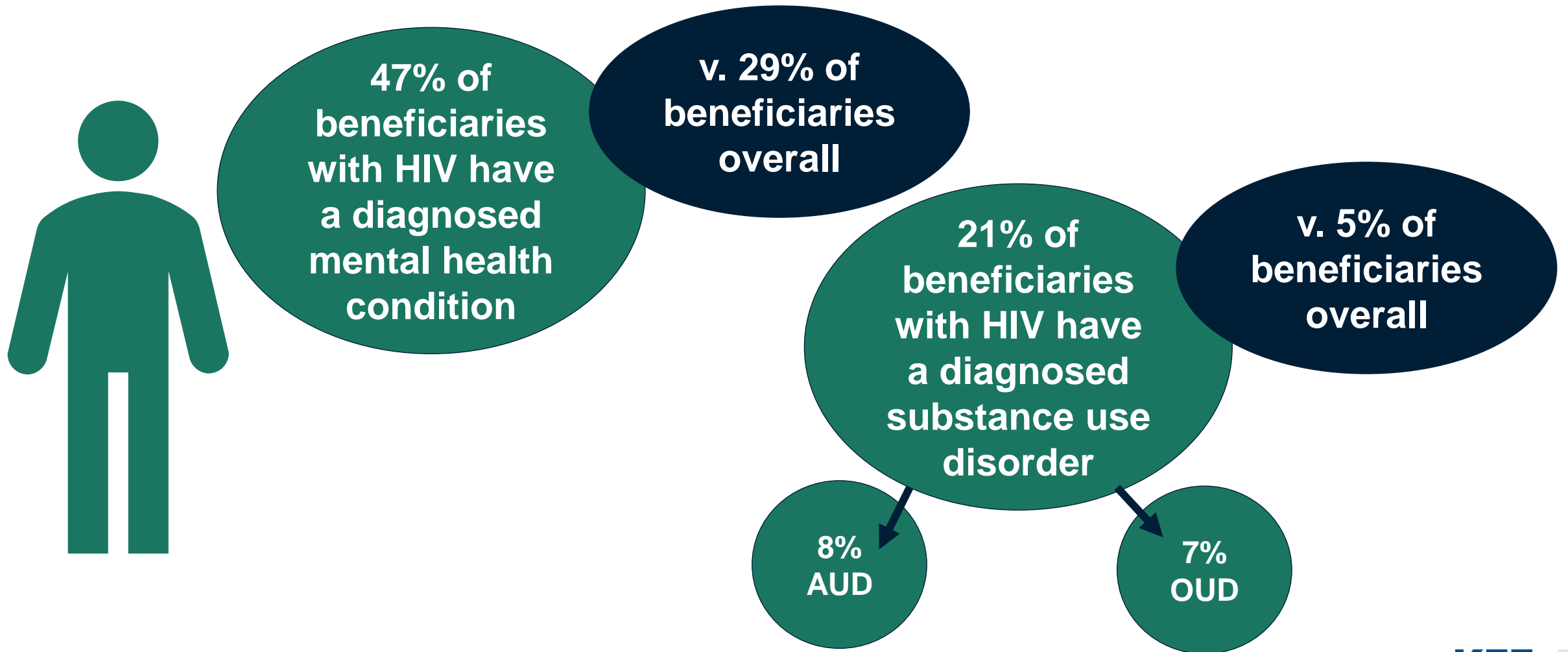
■ Medicare Beneficiaries with HIV ■ Medicare Beneficiaries Overall



Note: Weighted count of traditional Medicare population is 30,973,510 beneficiaries; weighted count of traditional Medicare beneficiaries with HIV is 103,365 beneficiaries. Data on other racial/ethnic groups not shown and is not available for other specific groups beyond those shown due to small sample size. Adults of Hispanic origin may be of any race, but are categorized as Hispanic for this analysis; other groups are non-Hispanic.

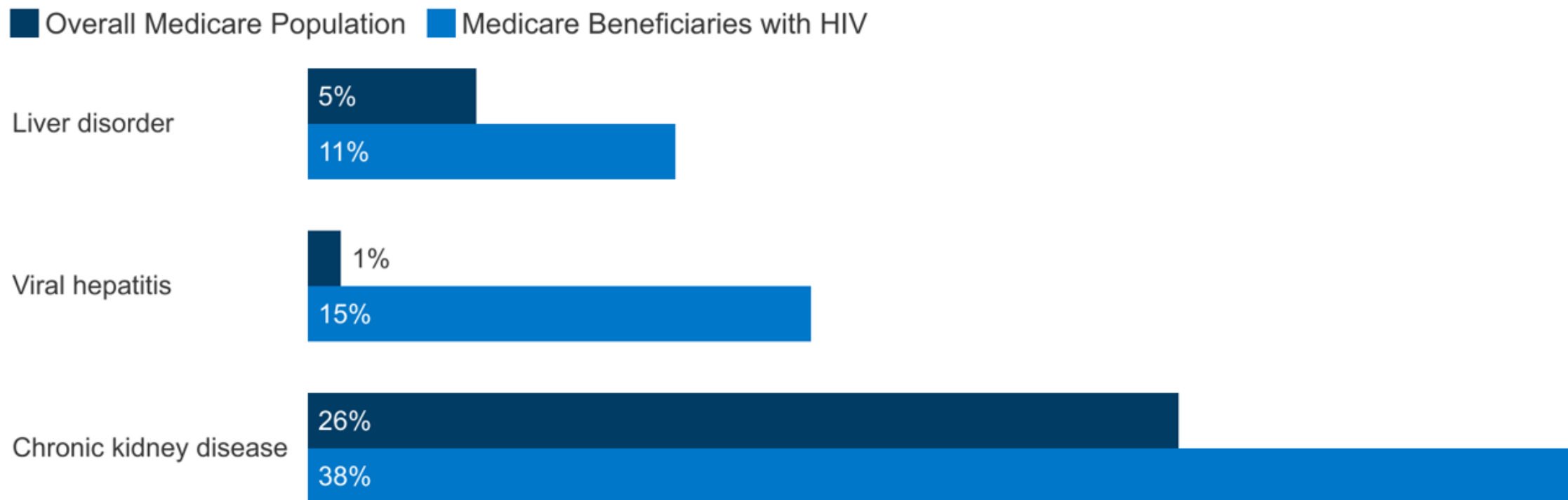
Source: KFF. Medicare and People with HIV, 2023. <https://www.kff.org/hivaids/issue-brief/medicare-and-people-with-hiv/>

# Beneficiaries with HIV Have a Higher Prevalence of Certain Behavioral Health Conditions





# Traditional Medicare Beneficiaries with HIV are More Likely to Have Certain Comorbidities than the Traditional Medicare Population Overall



Note: Viral hepatitis includes types A through E. Weighted count of traditional Medicare population is 30,973,510 beneficiaries; weighted count of traditional Medicare beneficiaries with HIV is 103,365 beneficiaries.

Source: KFF. Medicare and People with HIV, 2023. <https://www.kff.org/hiv/aids/issue-brief/medicare-and-people-with-hiv/>

# Medicare Services of Particular Importance for People with and at Risk for HIV: Prescription Drugs

## Part D:

- Added to Medicare in 2006
- Outpatient drugs: All approved ARVs for treatment & prevention (one of 6 protected drug classes)
- Enrollees face cost-sharing; those with LIS subsidies pay nominal amounts

## Part B:

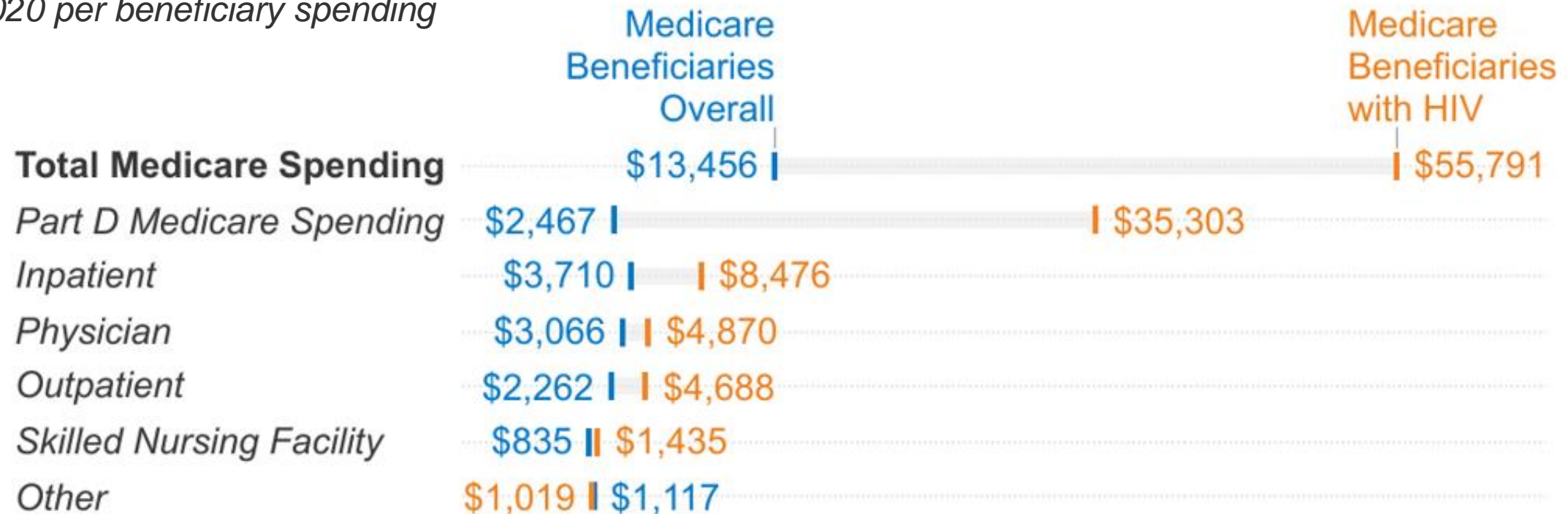
- Physician-administered drugs, including ARVs for treatment & prevention
- 20% coinsurance; those w/ supplemental coverage (e.g. Medicaid or Medigap) may not face
- Pending PrEP NCD – impact OOP \$ & challenges

# Other Medicare Services of Note for People with and Vulnerable to HIV

- **Facial wasting (lipoatrophy) treatments:**
  - Covers FDA-approved facial wasting (lipoatrophy) treatments for beneficiaries who have experienced depression as result of lipoatrophy caused by ARV use (since 2010).
- **HIV testing:**
  - In 2015, coverage for HIV testing without cost-sharing expanded to include:
    - Annual test for beneficiaries aged 15 to 65
    - Annual test for those at increased risk under 15 and over age 65
    - Testing for pregnant people

# Medicare Spending on People with HIV Higher Across Most Services vs. Beneficiaries Overall; Has Increased Over Time

2020 per beneficiary spending

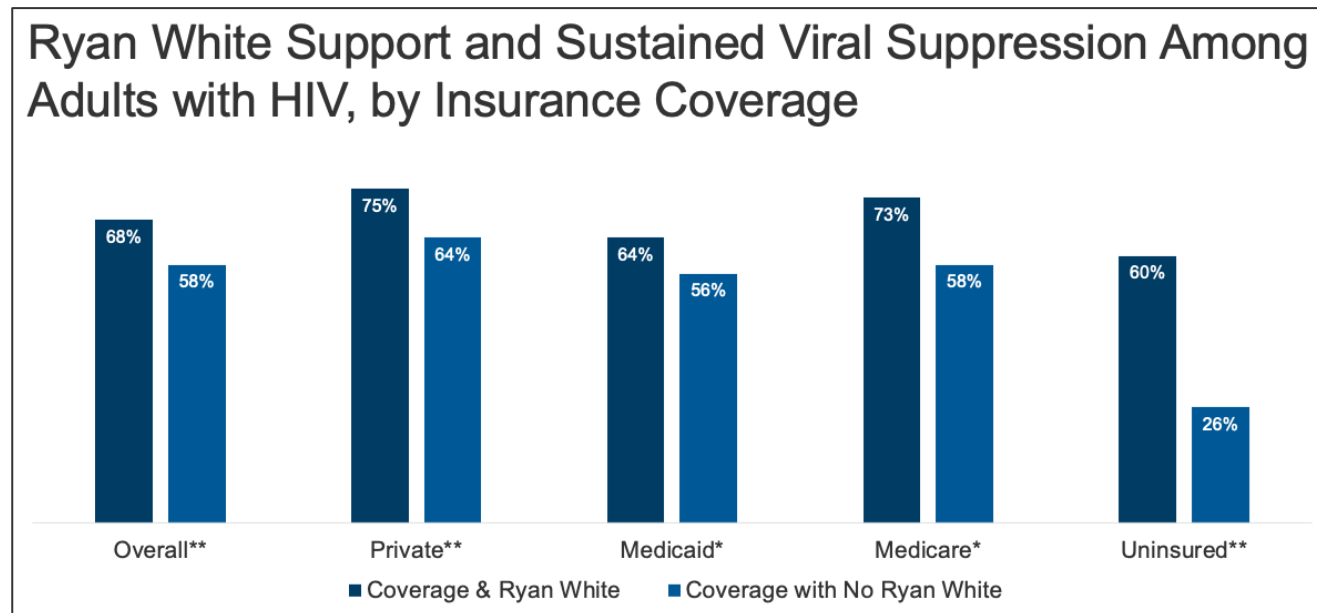


# Financial Assistance for Beneficiaries with HIV

- **Medicaid:**
  - Assistance for those dually eligible, incl. premiums & often cost-sharing
  - Benefits not covered by Medicare (e.g. long-term services & supports)
  - 61% of beneficiaries with HIV are dually eligible for Medicare and Medicaid
  
- **Part D Low-Income Subsidy (LIS) program:**
  - No premium or deductible, modest copayments for Rx until reaching the catastrophic threshold
  - Dually enrolled beneficiaries automatically receive the LIS
  - 80% of Medicare Part D beneficiaries with HIV in 2020 received LIS

# Financial Assistance for Beneficiaries with HIV Cont.

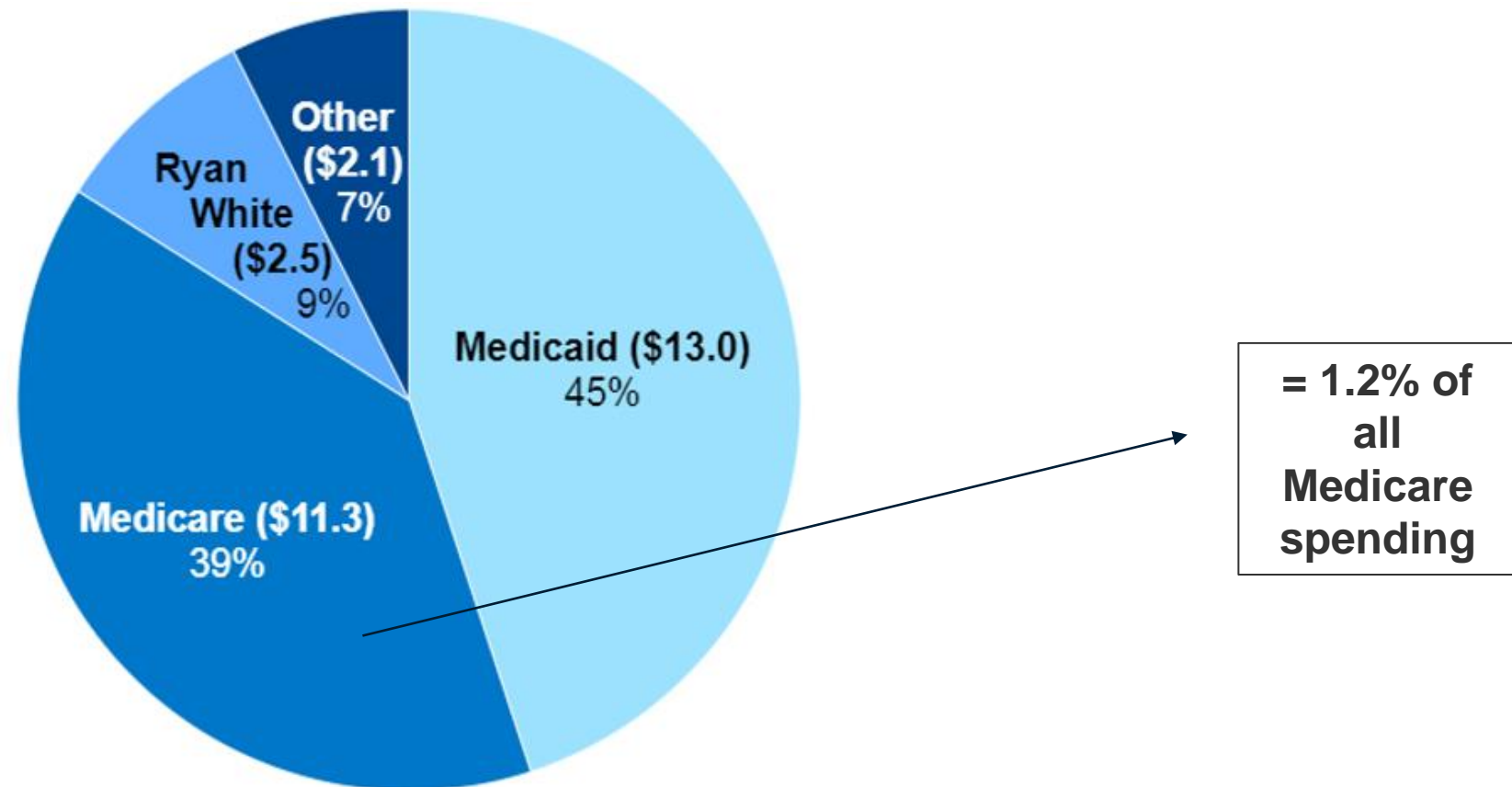
- **The Ryan White HIV/AIDS Program:**
  - Assists with coverage expenses (varies by state, limitations in helping with premiums)
  - Services not covered by Medicare (e.g. case management & subsistence services, etc.)
  - 62% of people with HIV who have Medicare receive support from Ryan White
  - Beneficiaries w/ Ryan White & Medicare have higher viral rates than those with Medicare alone



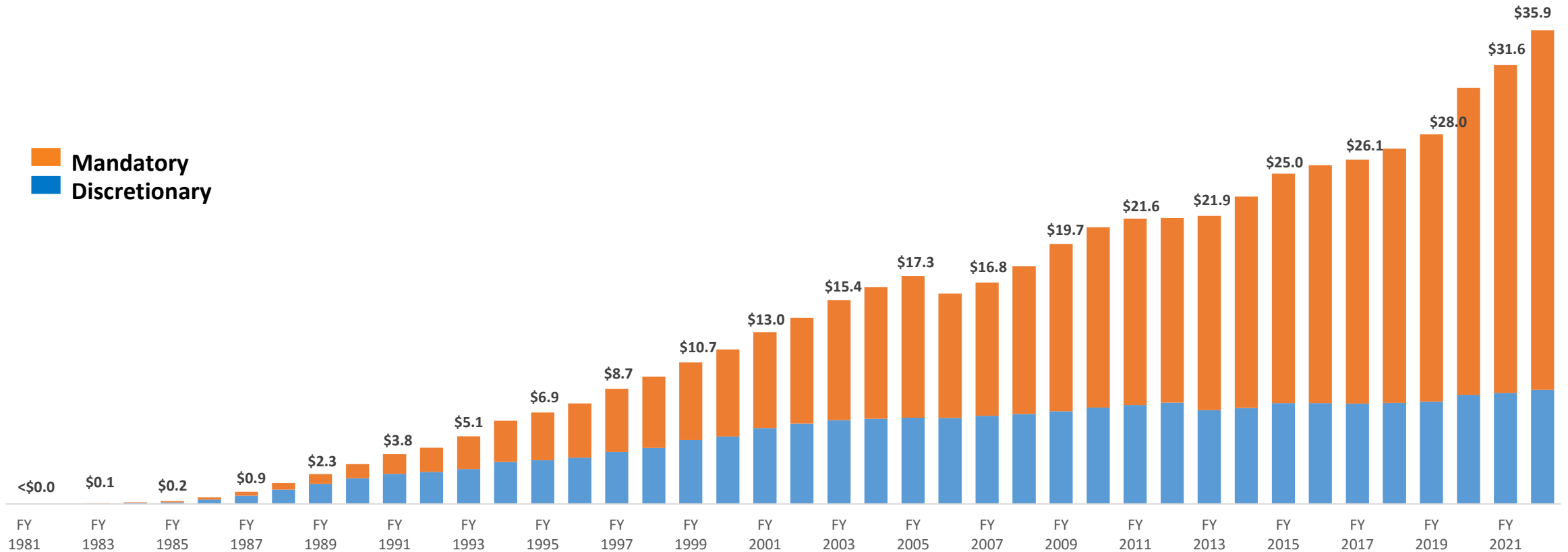
SOURCE: KFF. Medicare and People with HIV, 2023. <https://www.kff.org/hiv/aids/issue-brief/medicare-and-people-with-hiv/>. KFF. <https://www.kff.org/hiv/aids/issue-brief/insurance-coverage-and-viral-suppression-among-people-with-hiv-2018/>. Insurance Coverage and Viral Suppression Among People with HIV, 2018. 2020.

# Medicare Spending on People with HIV Accounts for Nearly 40% of All Federal Spending on HIV Care and Treatment

*Federal Spending on Care and Treatment for People with HIV, In Billions*



# Federal Domestic HIV Funding, Mandatory & Discretionary, FY 1981-FY 2022



Source: Kaiser Family Foundation analysis of data from OMB, CBJs, Congressional Appropriations Bills, and personal communication with agency staff.

Notes: Funding includes both domestic and global HIV accounts; The decrease in 2006 reflects methodological changes at CMS. For additional information about recent budget trends see KFF fact sheet, U.S. Federal Funding for HIV/AIDS: Trends Over Time. <https://www.kff.org/global-health-policy/fact-sheet/u-s-federal-funding-for-hiv-aids-trends-over-time/>



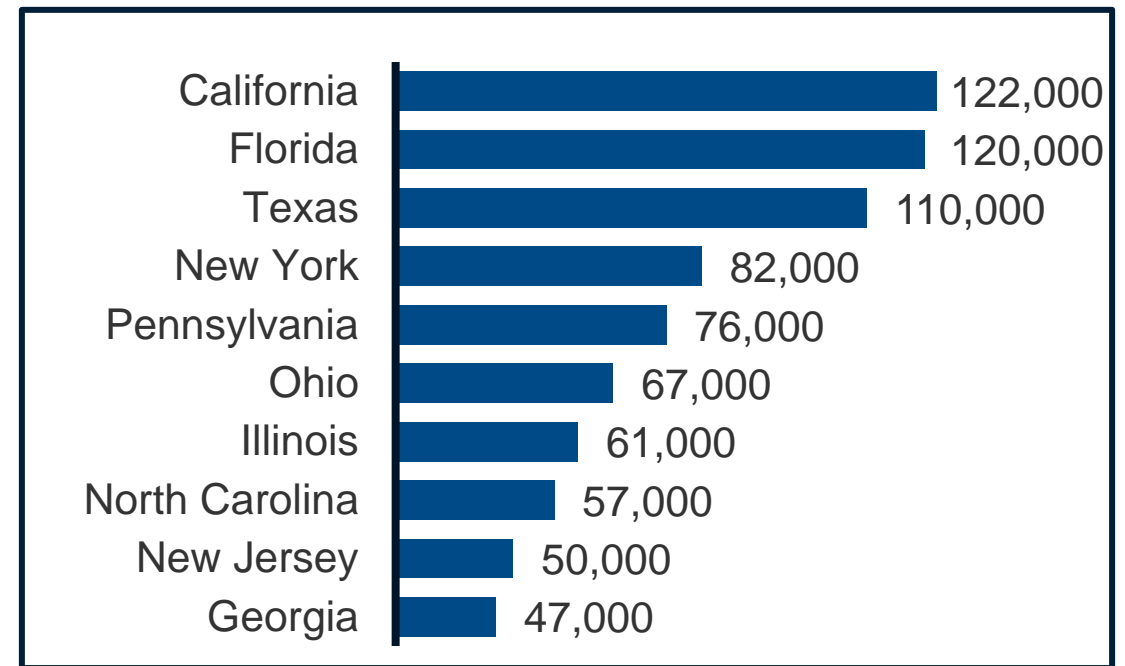
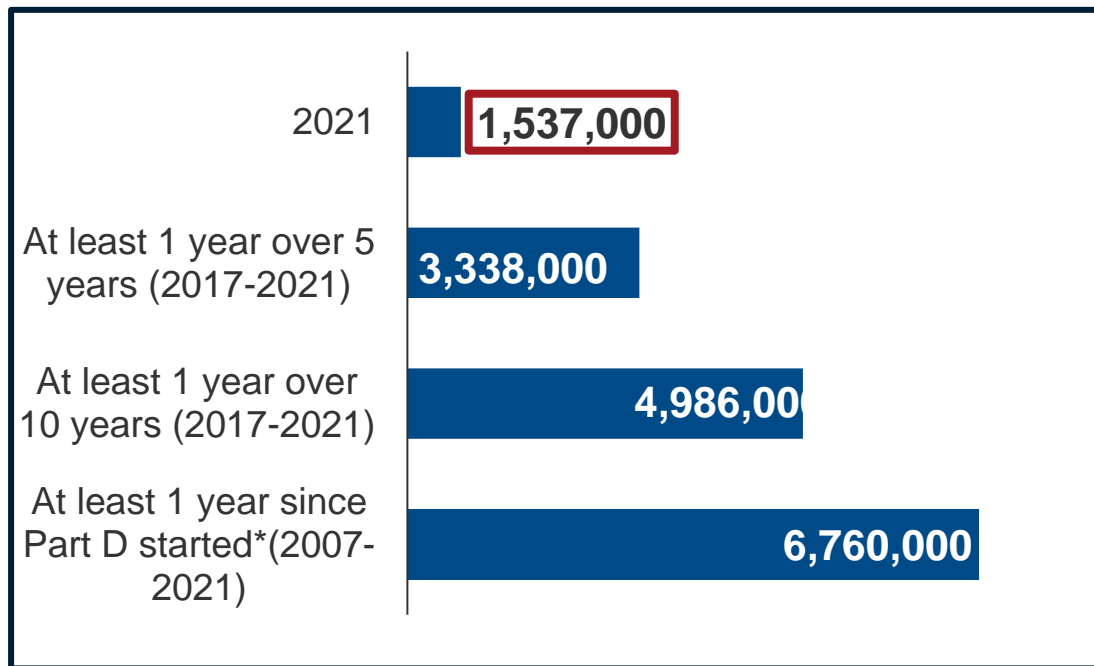
# Looking Ahead

# Looking Ahead: The Medicare Program

- Key IRA policy changes for people with and at risk for HIV
  - **Capping OOP drug** spending (starting in 2024) (impact on individuals and RWP);  
Eliminating 5% coinsurance for Part D catastrophic coverage
  - **Expanded LIS eligibility** (impact on individuals and RWP)
  - **Eliminates cost sharing for adult vaccines** covered under Medicare Part D and improves access to adult vaccines under Medicaid and CHIP
  - **Requirement that drug companies pay rebates** if prices rise faster than inflation
- PHE: Medicare **telehealth flexibilities** under PHE extended through **12/31/24**

# The Part D Out-Of-Pocket Limit Is Expected to Lower Costs for More Than One Million People with Medicare (based on 2021 spending)

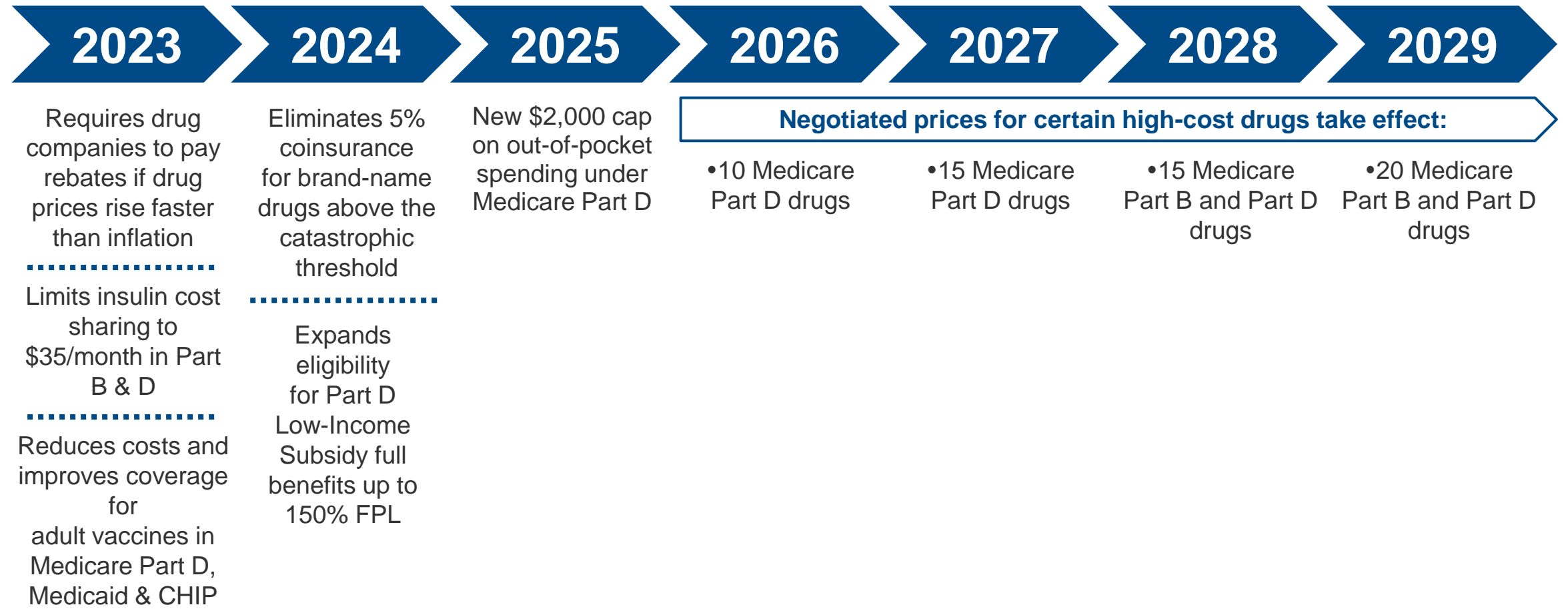
Number of Medicare Part D enrollees with out-of-pocket spending of \$2,000 or more in 2021 in:



Note: Excludes Part D enrollees receiving Low-Income Subsidies. Estimates rounded.

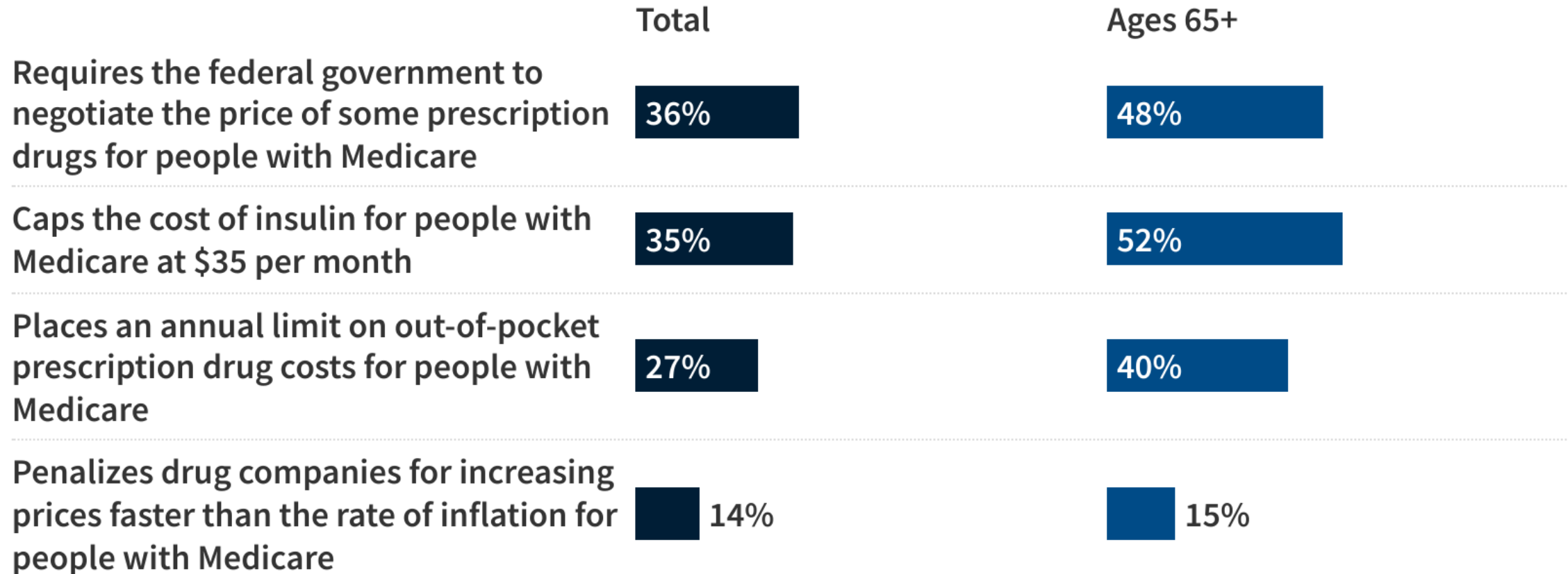
Source: KFF, "Millions of People with Medicare Will Benefit from the New Out-of-Pocket Drug Spending Cap Over Time," February 2024.

# Timeline for Implementing the Medicare Prescription Drug Provisions



# Few Voters Are Aware of IRA Drug Pricing Provisions, but Awareness Is Higher Among Older Voters

*Percent who say, as far as they know, there is a federal law in place that does each of the following:*



Note: Among registered voters.

Source: KFF Health Tracking Poll (April 23-May 1, 2024).

# Looking ahead – Medicare and HIV

- **Proposed Medicare NCD on PrEP**
  - Shifting all PrEP to Part B
  - Impact on OOP \$ but potential access challenges
  - Guidance received to allow for preparation
  - Awaiting final NCD
  
- **Growing needs of an aging population with HIV**
  - In 2008, 16% of people with diagnosed HIV were 55 years old or older, in 2021, 41% were

# THANK YOU

For more information, visit <https://www.kff.org/hiv aids/>

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