Impact of key reforms of the Inflation Reduction Act on Patient Access and Affordability in Medicare

Conducted by IQVIA on behalf of the PAN Foundation

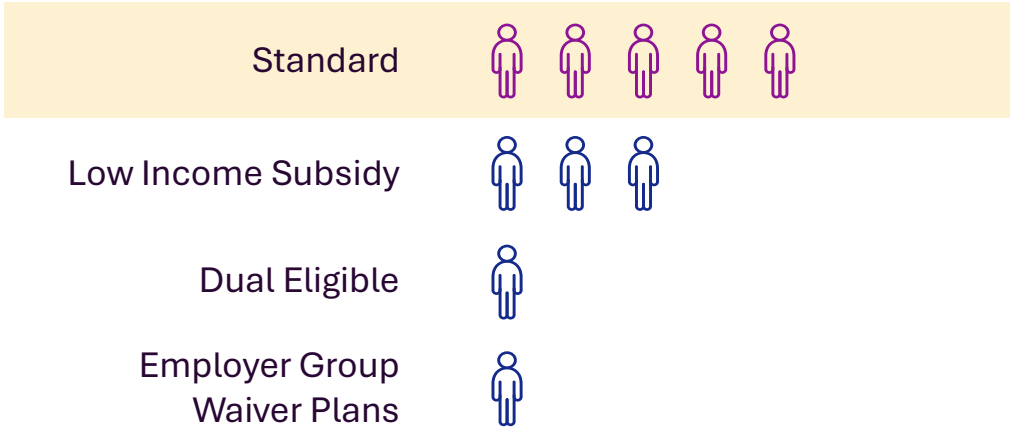
Medicare patient need following the passage of the Inflation Reduction Act (IRA)

High-Cost Therapeutic Areas (TAs) Analyzed

High-Cost Therapeutic Area
Prostate Cancer
Breast Cancer
Multiple Sclerosis
Rheumatoid Arthritis
Pulmonary Arterial Hypertension

Source: US Market Access Strategy Consulting analysis

Medicare Patient Benefit Types

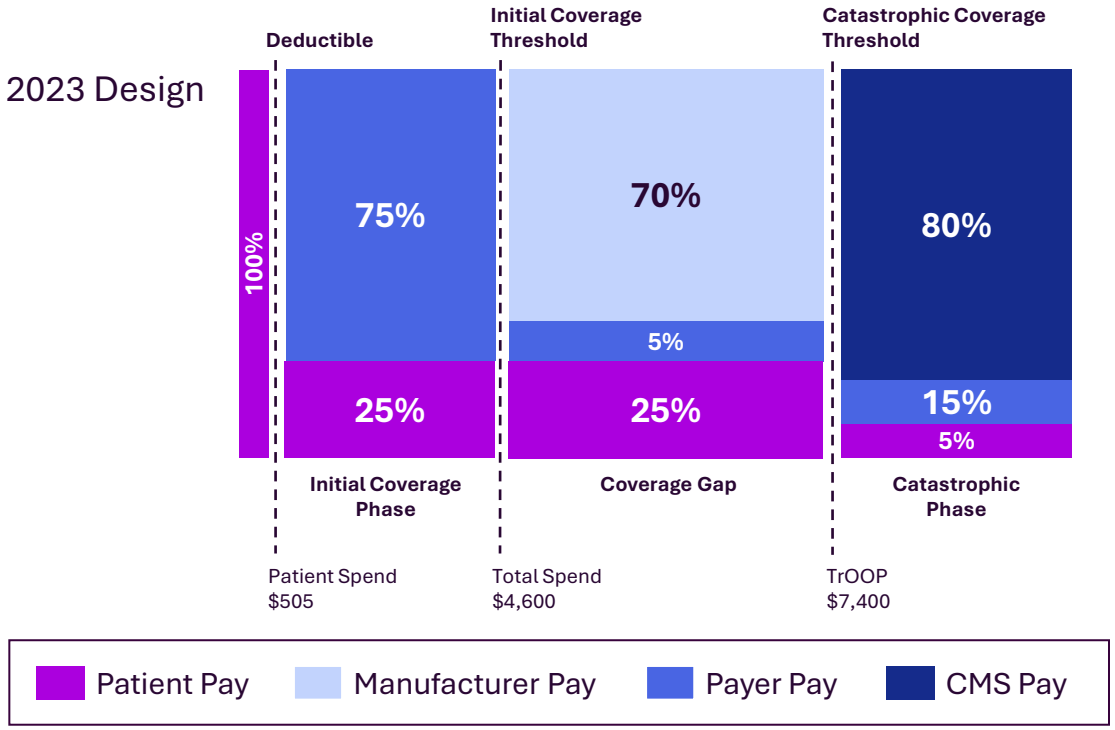


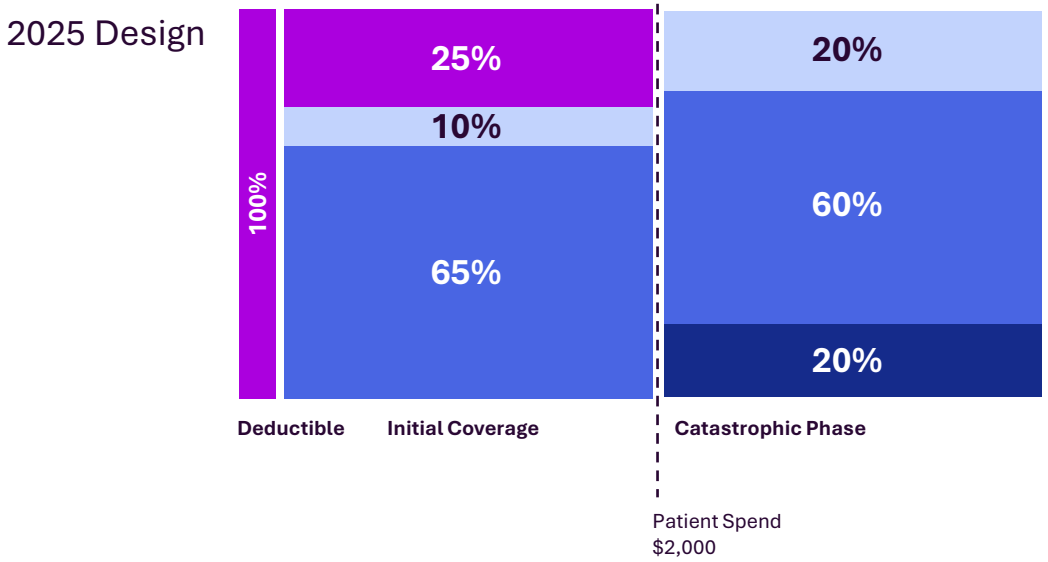
In 2025, standard patients make up about **half the patients in the high-cost TAs of interest**

These are the patients who most commonly receive foundation support, who were most impacted by the IRA, and are the focus of this presentation

Two key Inflation Reduction Act changes impacting patient costs were implemented in 2025: the $2K Part D cap and the Medicare Prescription Payment Plan (MPPP)

Medicare Part D Standard Patient Benefit Design 2023 vs 2025

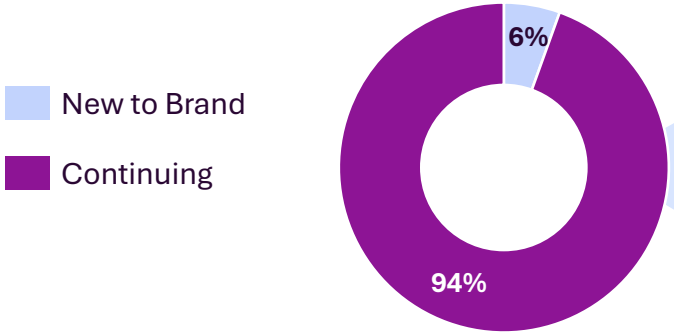




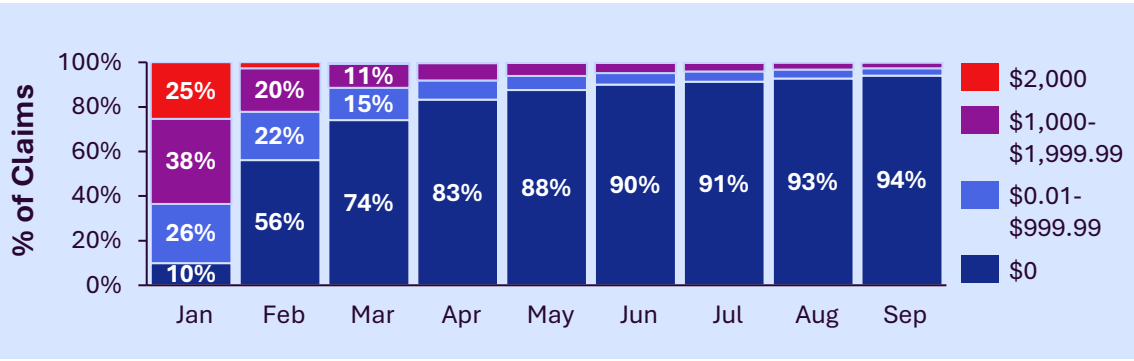
In 2024, the benefit design still had a coverage gap phase but patient costs were eliminated from catastrophic phase; MPPP = Medicare Prescription Payment Plan
Source: US Market Access Strategy Consulting analysis

Patients continuing therapy face high costs early in the year when benefit design resets, but they quickly benefit from the $2K Part D cap

What proportion of claims for high-cost therapies come from Continuing patients?
(Standard Medicare patients; Approved claims; Jan – Sep 2025)



How much do Continuing patients pay each month for high-cost therapies?
(Standard Medicare patients; Approved claims; Jan – Sep 2025)



KEY TAKEAWAYS

Most Medicare claims each year are written for patients who have filled the brand before ("Continuing patients")

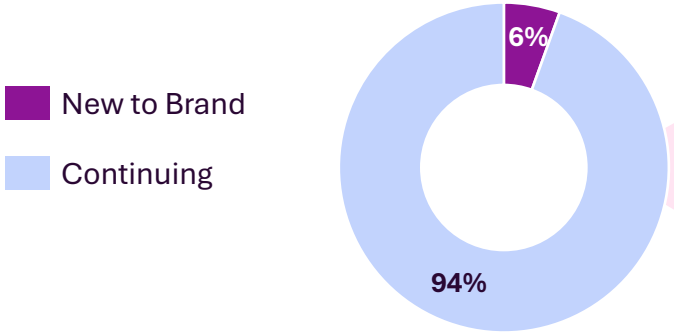
These Continuing patients face high costs at the beginning of the year until they hit the $2K out-of-pocket cap, but then face $0 costs afterward

Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

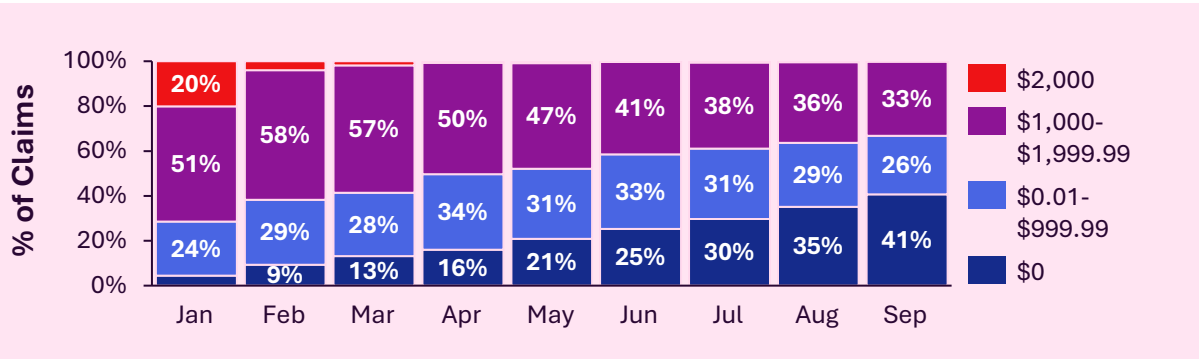
Source: US Market Access Strategy Consulting analysis

However, patients attempting to start a new high-cost therapy within the calendar year may need support later in the year at the time of initiation

What proportion of claims for high-cost therapies come from New patients?
(Standard Medicare patients; Approved claims; Jan – Sep 2025)



How much do New patients pay to start these high-cost therapies?
(Standard Medicare patients; Approved claims; Jan – Sep 2025)



KEY TAKEAWAYS

Claims written for patients who have not filled the brand before ("New to Brand patients") are a small portion of claims

New patients trickle in throughout the year and may need assistance to afford these costs

Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

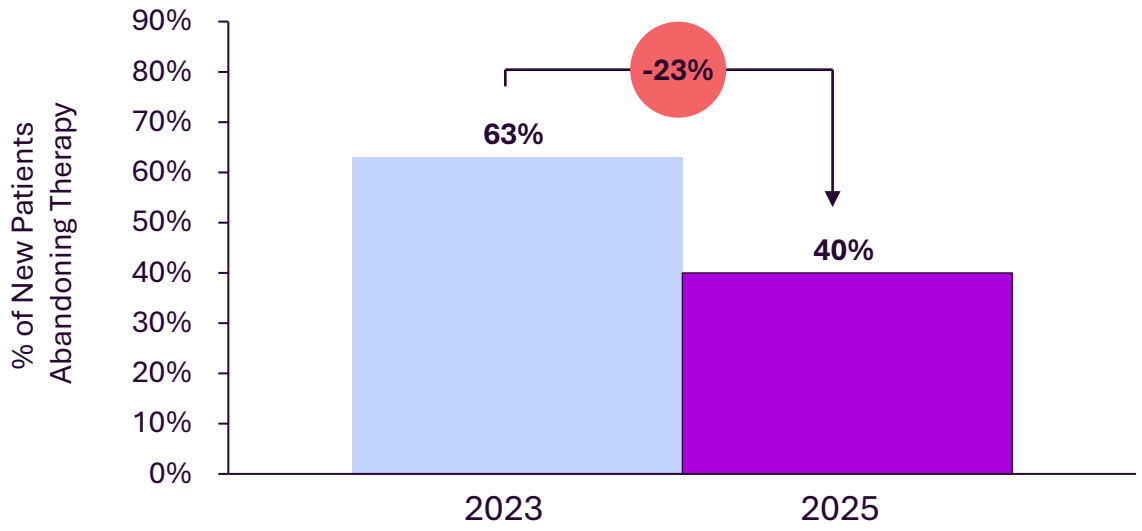
Source: US Market Access Strategy Consulting analysis

The $2K Part D cap has reduced the number of patients abandoning newly prescribed high-cost therapies

However, upwards of 40% of patients still abandoned therapy in 2025

What % of new patients prescribed products for high-cost therapies Abandon Therapy?

(Standard Medicare patients; Approved claims; 14 Day Lookforward; 2023 vs 2025, Jan – Sep)



KEY TAKEAWAYS

Abandoning therapy means the patient never filled the first approved prescription for a new product

Cost is the #1 reason patients abandon new therapies

In 2025, fewer new patients are abandoning high-cost therapies due to the $2K cap

Many patients (~40%) still abandon therapy as $2K in out-of-pocket costs remains a significant barrier to treatment initiation

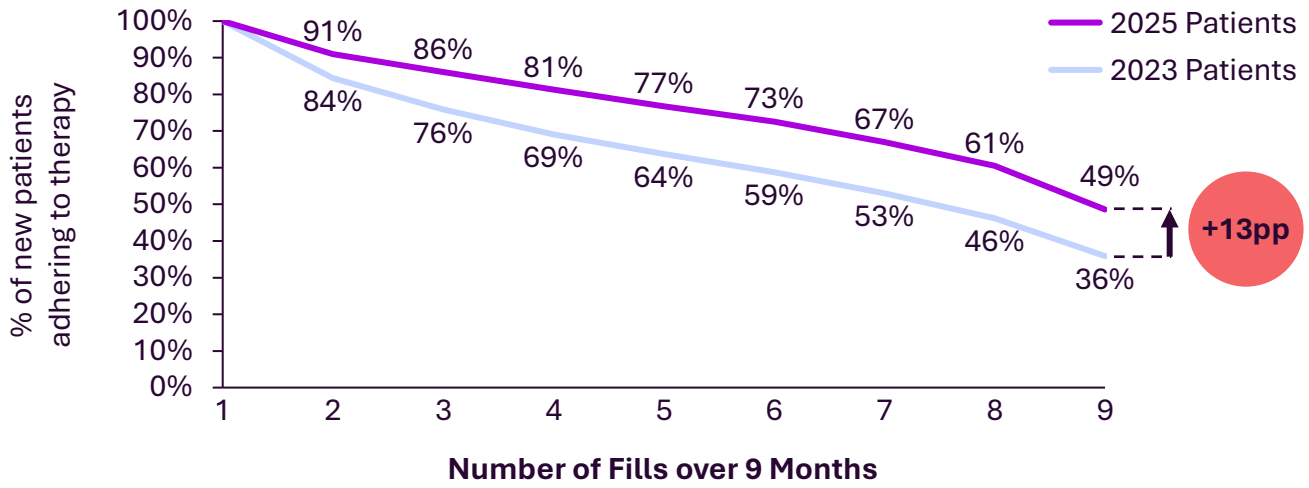
Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

Source: US Market Access Strategy Consulting analysis

In 2025, patients who initiated high-cost treatment were more adherent than in 2023, most likely driven by the $2K Part D cap

Once they hit the $2k Part D cap, they would pay $0 on all subsequent refills

How long do patients on high-cost drugs adhere to therapy?
(Standard Medicare patients; 2023 vs 2025 Jan – Sep; Limited to patients starting therapy in Jan of 2023 vs 2025)



Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

Source: US Market Access Strategy Consulting analysis

KEY TAKEAWAYS

Adherence measures the extent to which patients stay on therapy after starting a new regimen

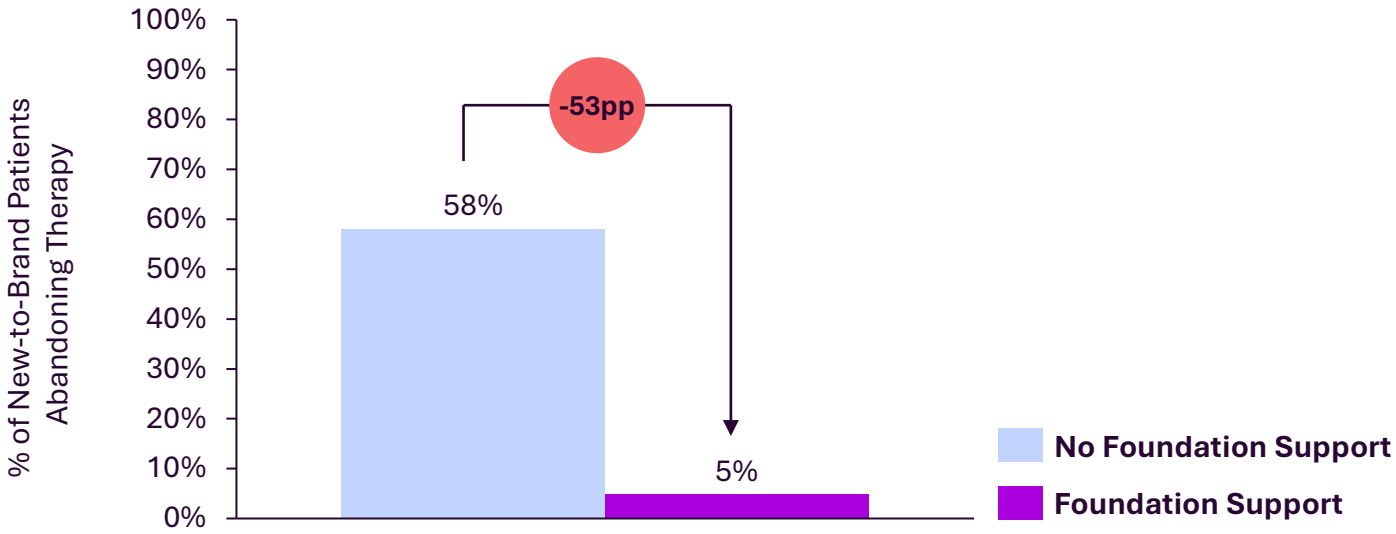
In 2025, the $2K cap helped more patients stay on high-cost therapies longer throughout the year because they were shielded from costs

In 2023, patients on high-cost TAs were asked to continually pay 5% coinsurance in the "catastrophic coverage phase" which was a barrier to adherence

Post-IRA, foundation support continues to be very effective at reducing abandonment among new patients facing high costs

What % of patients abandon high-cost therapies when they use Foundation Support?

(Standard Medicare patients; new approved claims costing over $600; 14 day lookforward; Jan – Sep 2025)



KEY TAKEAWAYS

Patients facing high costs who utilize foundation support abandon their new therapies far less frequently

Patients who do not use foundation support may have not yet hit the $2K cap and thus may face higher costs, leading to high abandonment

Foundation support eliminates these cost barriers and drastically reduces abandonment, highlighting the continued impact of support

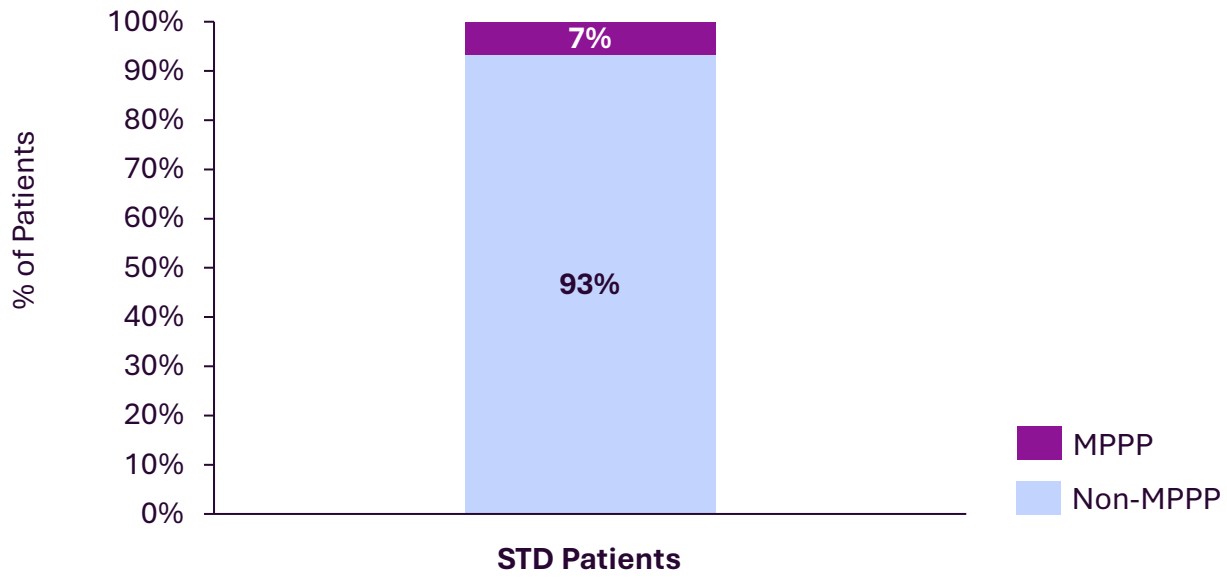
Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

Source: US Market Access Strategy Consulting analysis

Use of MPPP for high-cost treatment is low for standard Part D patients; more education and awareness is needed

What % of patients use MPPP for high-cost therapies?

(Standard Medicare patients; patients who filled therapy; Jan – Sep 2025)



KEY TAKEAWAYS

MPPP utilization is low among Standard Part D patients on high-cost therapies.

No meaningful differences were seen across patient demographics, though younger patients were found to use the program slightly more than older patients.

The low adoption presents a clear opportunity to strengthen awareness and refine messaging on the benefits of MPPP.

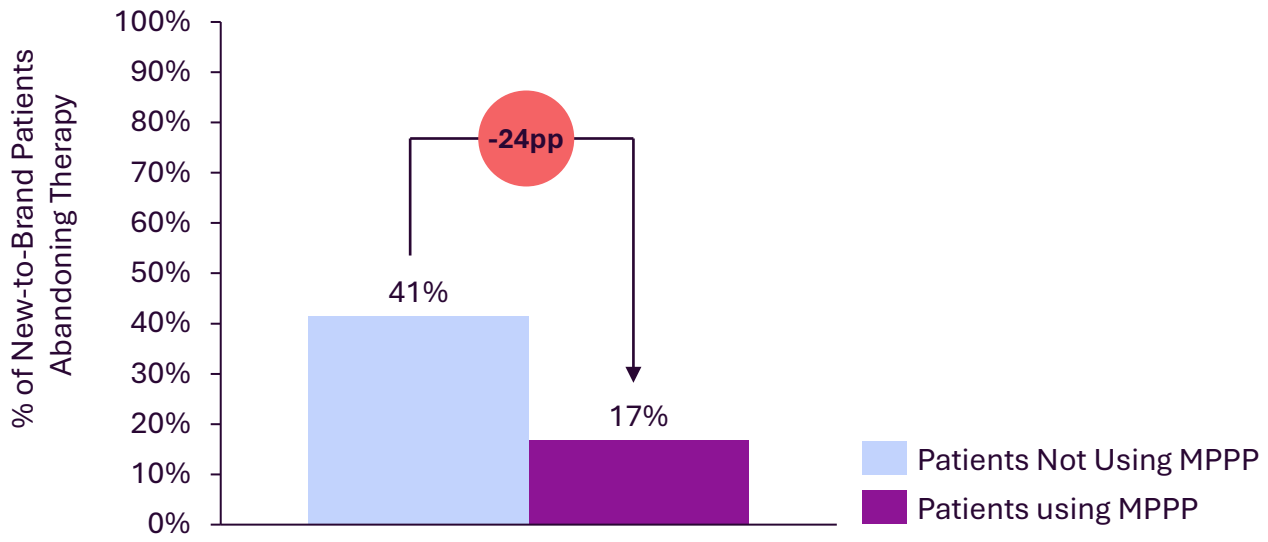
Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

Source: US Market Access Strategy Consulting analysis

Despite low MPPP utilization, it is effective in reducing patient therapy abandonment

What % of patients abandon high-cost therapies when they use MPPP?

(Standard Medicare patients; approved claims costing over $600; 30 day lookforward; Jan – Sep 2025)



KEY TAKEAWAYS

While overall MPPP utilization is low, its impact is meaningful—patients who enroll show a substantially lower rate of new patient therapy abandonment.

In high-cost markets, MPPP participation reduces abandonment by 24PP.

The program's proven effectiveness reinforces the need for stronger awareness and education, ensuring more eligible patients access the benefits.

Note: "high-cost" markets include Prostate Cancer, Breast Cancer, Multiple Sclerosis, Rheumatoid Arthritis, and Pulmonary Arterial Hypertension

Source: US Market Access Strategy Consulting analysis

Reforms have improved patient access to therapy by lowering costs; support from foundations and MPPP is crucial to help patients through the $2K Part D cap

PATIENT COSTS

The IRA's $2K Part D cap has improved access to high-cost therapies by reducing patient costs throughout the year

However, **patients still need support paying through the $2K cap throughout the year.** Patients starting new high-cost therapies abandoned therapy 40% of the time. While not all abandonment is due to costs, it is a primary driver of abandonment

FOUNDATION SUPPORT

Post-IRA, **use of foundation support is concentrated at the beginning of the year, but support is still needed throughout the year** to help patients through the $2K cap

Foundation support has a substantial positive impact on reducing the rate at which patients abandon new-high cost therapies

MPPP PROGRAM

Use of MPPP has been low across high-cost therapies

Still, the program is effective at reducing the rate at which patients abandon new high-cost therapies, highlighting the opportunity that improving education and use of the program could represent

Source: US Market Access Strategy Consulting analysis