

Medicare Alzheimer's Drug Decision and Its Effect on Rates, Coverage

The Centers for Medicare and Medicaid Services has announced that it will only cover the controversial Alzheimer's therapy Aduhelm for Medicare patients who are in clinical trials.

Besides setting clear-cut rules for when Medicare will cover the drug, it also sets the stage for the CMS to reduce Medicare Part B premiums as a result of the decision.

Premiums for Medicare Part B rose 15% this year from 2021 in part because Medicare expected to cover the drug without restrictions when setting rates for 2022.

Under the rules, finalized in April 2022, Medicare beneficiaries who are in clinical trials overseen by the CMS, the Food and Drug Administration or the National Institutes of Health, will be covered for Aduhelm.

Participants in CMS-approved studies will be able to access a multidisciplinary team to support their disease management and decision-making with care coordination.

The CMS said it had made this decision because there was still not enough clinical evidence to prove that the drug is an effective treatment and can improve Alzheimer's patients' conditions.

The order potentially actually covers more than Aduhelm. It specifically covers all monoclonal antibody treatments for Alzheimer's disease, but currently Aduhelm is the first to receive approval for use by the FDA.

The FDA used an expedited process to approve the drug, a decision dogged by controversy because of uncertainty about its efficacy and safety. Some of the potential side-effects include headaches, and increased risk of falling or bleeding of the brain.

Drugmaker Biogen initially priced Aduhelm at \$56,000 a year, but cut that in half in December 2021.

The decision by Medicare contrasts with the decisions taken by the country's largest health plans, all of which are not covering the treatment, deeming it to be "medically necessary."

Effect on rates

When the CMS was setting Medicare rates for 2022, Aduhelm was priced at \$56,000 and it was assumed that Medicare would be covering it. Now that the price has dropped to \$28,000 and the CMS decision further restricts when it will be covered, it's expected that Medicare Part B premiums will be reduced for the rest of the year.

As of right now, the CMS has made no decision on rates going forward, but we'll keep you informed of how that plays out and if you can expect to see any rate reduction this year.

Alzheimer's Medicare facts

There are more than 6 million Americans who are 65 or older and living with Alzheimer's dementia, the sixth-leading cause of death among Medicare-aged individuals.

Original Medicare (Parts A and B) does not address Alzheimer's disease or other dementias as a single diagnosis with universal coverage, but it does cover in-patient hospital care and some related expenses.

There are limitations, but Original Medicare covers a variety of medical services Alzheimer's patients often need *beyond* regular doctor visits. Here are a few of these medical services:

- **Annual wellness visits and health risk assessments.** This includes annual cognitive impairment tests to check for signs of Alzheimer's disease.
- **Diagnostic testing.**
- **Prescription drugs.** Medicare will pay some or all of your prescription drug costs as long as you are enrolled in a Medicare Part D prescription drug plan either by itself or as part of a Medicare Advantage plan.
- **Some rehabilitative care.** Medicare will only help pay for the first 100 days of nursing home care.

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