

MYTHS VS. FACTS ABOUT THE SIX PROTECTED CLASSES



MYTH: The six protected classes policy discourages the use of generic medications.

FACT: Generic utilization is high within the protected classes; **7% of drug utilization within the protected classes comes from branded drugs, while 93% comes from generics** according to a recent study from Avalere. Also, according to the Pew Charitable Trusts “protected classes currently have a higher overall rate of generic utilization than other drug classes (**92 percent and 84 percent of prescriptions, respectively**).”

MYTH: Insurers cannot incentivize the use of generics within the protected classes.

FACT: Brand drugs are placed on higher tiers, which means more costs for Medicare beneficiaries. Within the protected classes, **branded products were placed on high tiers 89% of the time and generics 37% of the time** — meaning brand drugs were subject to higher cost sharing and may have required additional authorization for coverage, according to Avalere.

MYTH: Health insurers are not able to control utilization of drugs in order to manage costs in the protected classes.

FACT: The six protected classes ensure that medications to treat the most serious conditions are covered by Medicare Part D plans. However, insurers in most instances can still mitigate costs through utilization management and higher cost sharing. According to Avalere, plans place utilization management on the drugs in the protected classes **nearly 40% of the time** and the average Part D beneficiary was enrolled in a plan that places drugs from the protected classes on high tiers (non-preferred or specialty) **64% of the time**, resulting in higher cost-sharing.

MYTH: Eliminating or weakening the six protected classes will save the government money with little impact to patients.

FACT: Medicare beneficiaries **could face severe consequences** if they are not able to access the most effective medication (such as hospitalization or in some instances, death), thereby increasing costs. CMS has acknowledged this fact in the case of step therapy when there is a delay in a patient receiving a drug. CMS states “that delay may cause a worsening of conditions leading to increased medical costs.”

MYTH: Medicare beneficiaries do not need access to all medications within the protected classes.

FACT: The six protected classes were created because the conditions identified by the policy require **a wide range of treatments available**.

MYTH: Drugs in the protected classes are interchangeable.

FACT: Because people with these conditions react differently to different medicines, access to the full range of approved medications is **a crucial component of successful treatment and recovery**. Medicare’s “Six Protected Class” policy has long stood as a guarantee to patients that their access to all available medications would never be in doubt.