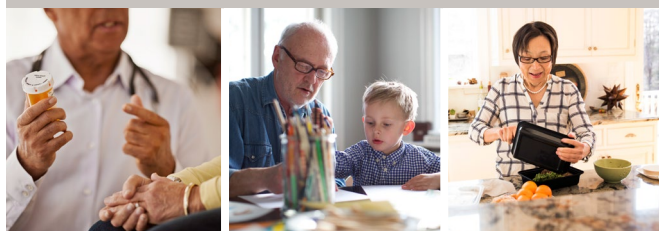




# HELPING YOU UNDERSTAND MEDICARE INSURANCE COVERAGE



A guide to assist Medicare patients on their treatment journey navigating and understanding insurance coverage, financial assistance, additional assistance resources, different types of pharmacies, and patient support programs.





# Understanding Your Coverage and Support Options

At Lilly, we know that understanding how your health insurance or health care coverage works is not easy. Lilly is committed to helping you understand your coverage and the financial support resources that may be available to you.

This guide includes the following sections:





- [The Basics of Insurance Coverage](#)
- [A Closer Look at Medicare](#)
  - » [What Is Medicare?](#)
  - » [Differences Between Original Medicare and Medicare Advantage](#)
  - » [Overview of Medicare Part B](#)
  - » [Medicare Part B Drug Reimbursement](#)
  - » [What Is Medigap?](#)
  - » [How Medicare Works With Other Insurance](#)
  - » [How Do Medicare Payments Differ by Setting of Care?](#)
- [Assistance Resources Available to You](#)
- [How You May Get Your Medicine](#)
- [Supporting You Every Step of Your Treatment Journey](#)



# The Basics of Insurance Coverage

Most insurance companies have a list of medicines that may be available in their plans and detail the patient's coverage and financial responsibility (out-of-pocket cost) for those medicines. Lilly can help you understand this information about your prescribed Lilly medicine by contacting your insurance company if you are enrolled in one of our support programs and have provided Health Insurance Portability and Accountability Act (HIPAA) consent. When we contact your insurance company, we can help you find out information about your medicine coverage, out-of-pocket costs, etc.

## DEFINITIONS

<p><b>Premium</b> The amount you pay each month (or each year) to your insurance company to have health care coverage.</p> 	<p><b>Deductible</b> The amount you will have to pay out-of-pocket for your health care costs before your insurance company starts paying.</p> 	<p><b>Coinsurance</b> The percentage of the cost you will have to pay for each medicine or health care service you receive. The remainder is paid by your insurance plan. <b>Example:</b> You may pay 20% and the insurance pays 80%.</p> 	<p><b>Copayment</b> A fixed dollar amount you will have to pay for a medicine or health care service, usually at the time of service. This is also known as a co-pay.</p> 
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## WHAT ARE THE TYPES OF INSURANCE COVERAGE?

The financial resources you are eligible for will depend on the type of insurance coverage you have. The types of insurance are:



### MEDICARE

Medicare is a federal health insurance program that provides health benefits for:

- People 65 and older, or
- Younger people with certain disabilities

Coverage for prescription medicines is available by enrolling in:

- Medicare Part C (also known as Medicare Advantage; a Medicare-approved plan from a private company that “bundles” Part A, Part B, and usually Part D), or
- Medicare Part D (a separate Medicare plan that provides coverage for prescriptions)



### COMMERCIAL

Commercial insurance is health insurance coverage you get through your employer or buy from insurance companies directly. This is also known as private insurance.



### MEDICAID

Medicaid is a health insurance program funded jointly by the federal government and individual states that offers health care coverage and drug benefits to low-income individuals.



*Medicare and Medicaid are commonly referred to as government insurance.*

## The Basics of Insurance Coverage

Sometimes your health care provider, or HCP, may be required to get approval from your health insurance company before you are able to receive your medicine. This is known as a prior authorization (PA).

### THE STEPS INVOLVED IN THE PA PROCESS ARE:



**1**  
You and/or your HCP **fill out the necessary forms.**



**2**  
Your HCP **submits the forms and any necessary documents** to your health insurance company.



**3**  
Your health insurance company **reviews the submitted forms** and documents.



**4**  
Your health insurance company either **approves or denies** the PA request.



**5**  
If the PA request is **approved**, your health insurance company may help cover the cost of your medicine or health care service. If the PA request is **denied**, **other options for coverage such as an appeal** may be used by your HCP.

*It is a good idea to stay in contact with your HCP regarding the PA process to help prevent any delays.*

### WHAT IS MY ROLE IN THE PA PROCESS?

Here is a simple checklist that you can use to help keep track of the PA process.



Ask your HCP if a PA is required for the medicine you are being prescribed



Ask your HCP if you need to provide any extra information to complete the PA



Ask your HCP to confirm if the PA has been submitted to your health insurance company



Ask your HCP if the PA has been approved or denied



Ask your HCP if the pharmacy has been alerted about the PA approval so your prescription can be filled



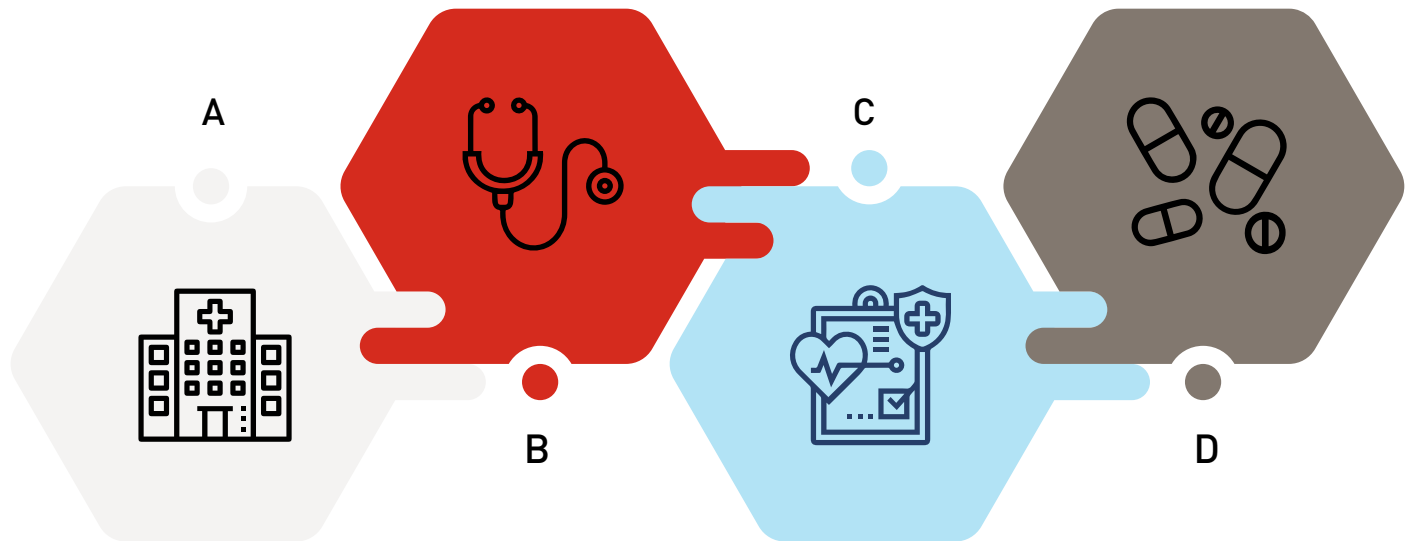


**A CLOSER LOOK  
AT MEDICARE**

# What Is Medicare?

## MEDICARE IS DIVIDED INTO 4 PARTS: A, B, C, AND D

Generally, the different parts of Medicare help cover specific services.



### PART A

Often referred to as **hospital insurance**

Covers:

- Inpatient care in hospitals
- Hospice care
- Some home healthcare

### PART B

**Medical insurance**

Covers:

- HCPs' services and outpatient care
- HCP-administered medicines

### PART C

**Medicare Advantage**

Covers:

- All-in-one plans that combine coverage of Original Medicare (Part A and Part B) and usually Medicare Part D

### PART D

**Prescription drug benefit**

Covers:

- Outpatient prescription drug benefit

## THERE ARE TWO TYPES OF MEDICARE OPTIONS

### • Original Medicare

- Includes Part A and Part B
- There is an option to enroll in a separate Medicare plan (Part D) to help cover the cost of prescription medicines
- You can also purchase extra coverage like Medicare Supplement Insurance (Medigap\*), have supplemental coverage from a former employer, or may qualify for Medicaid as a secondary insurance

### • Medicare Advantage (also known as Part C)

- A Medicare-approved plan from a private company that "bundles" Part A, Part B, and usually Part D

\*For more information on Medigap plans, [see page 12](#).

# What Are Some Differences Between Original Medicare and Medicare Advantage?

	Original Medicare	Medicare Advantage
<b>HCP and Hospital Choice</b>	You can go to any HCP or hospital that accepts Medicare	In most cases, you can only use HCPs who are in the plan's network and service area (for non-emergency care), or you may have to pay more out-of-pocket costs for out-of-network HCPs and hospitals
	In most cases, you do not need your HCP to find a specialist for you (referral)	You may need a referral to see a specialist
<b>Cost</b>	For Part B covered services, you usually pay 20% of the Medicare-approved amount after you meet your deductible (coinsurance)	Out-of-pocket costs may differ by Medicare Advantage plan, with some plans having lower or higher out-of-pocket costs depending on the specific services provided
	You pay the monthly Part B premium. If you choose to enroll in a Part D plan for prescription coverage, you'll pay a separate Part D premium	You pay the monthly Part B premium, and you may also have to pay the plan's premium. Some plans may have a \$0 premium and may help you pay some or all of your Part B premium
	There is no yearly limit on what you pay out-of-pocket, unless you have supplemental insurance (eg, Medigap*) or qualify for Medicaid as a secondary insurer	All plans have a yearly limit on what you pay out-of-pocket for services that Medicare Part A and Part B cover. This is the most you should have to pay for covered services in a plan year. After you spend this amount on deductibles, copayments, and coinsurance for in-network care and services, your health plan often pays 100% of the remaining costs.
	If you qualify, you may purchase Medigap to help lower or eliminate your remaining out-of-pocket costs. Or, if you have coverage from Medicaid or a former employer, these plans may help to pay your remaining costs	You cannot buy a Medigap plan, but you can qualify for Medicaid as a secondary insurer
<b>Coverage</b>	You can enroll in a separate Medicare plan (Part D) to help cover the cost of prescription medicines	Medicare coverage for medicines (Part D) is included in most plans
	In most cases, you do not have to get a service or supply approved in advance for coverage	In most cases, you need to get a service or supply approved in advance for the plan to cover it (prior authorization)

\*For more information on Medigap plans, [see page 12](#).



# Overview of Medicare Part B

## What specifically does Medicare Part B cover?





- Medicare Part B (Medical Insurance) helps cover HCP services and outpatient care. It also covers some other medical services that Part A does not cover, such as some of the services of physical and occupational therapists, and some home healthcare. Part B helps pay for these covered services and supplies when they are medically necessary. HCP-administered therapies are usually covered under Part B (medical benefit).
- In the outpatient setting, Part B covers many diagnostic and treatment services from Medicare-participating hospitals. Covered outpatient hospital services may include:
  - » Emergency or observation services
  - » Laboratory tests, including certain blood tests, urinalysis, tests on tissue samples, and some screening tests.
  - » Certain medicines and biologics that have to be injected or infused by an HCP
  - » Diagnostic non-laboratory tests like Computed Tomography (CT) scans, Magnetic Resonance Imaging (MRI), and Positron Emission Tomography (PET) scans

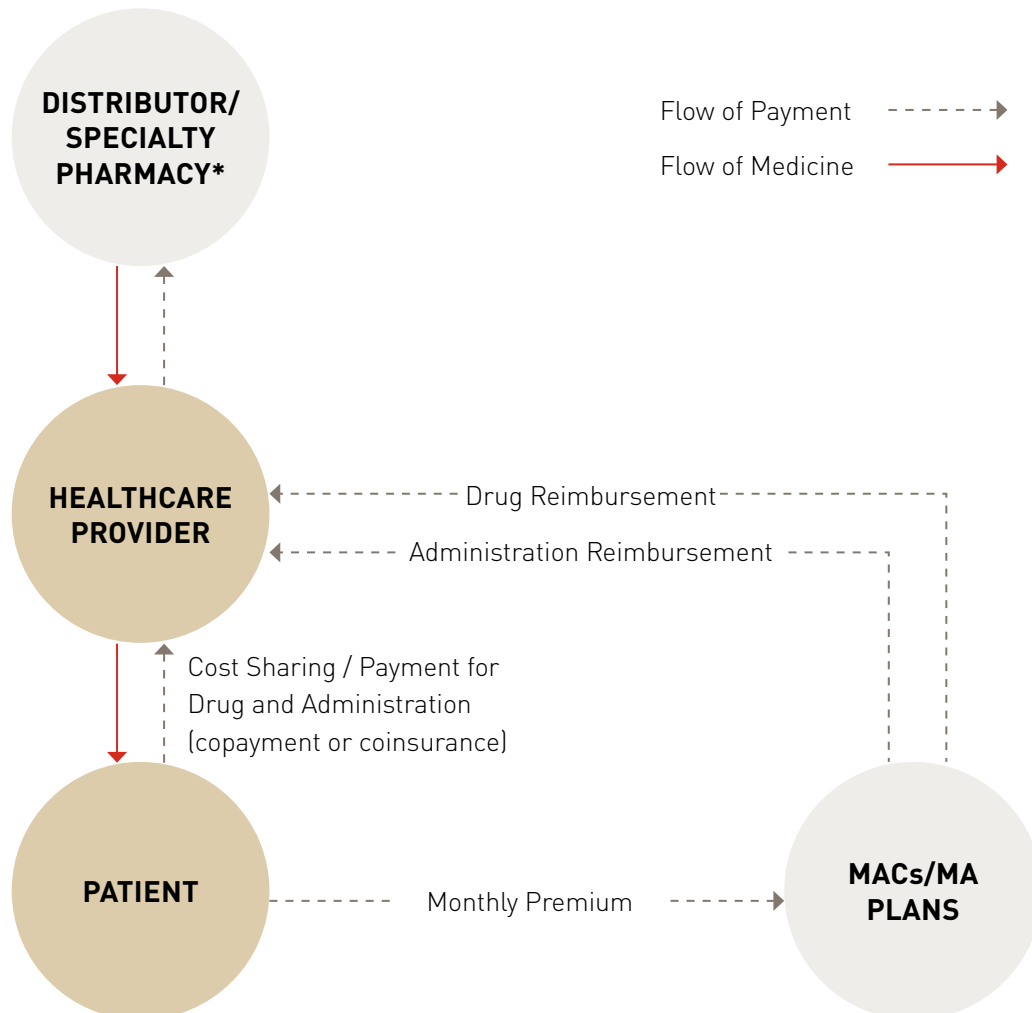




# Medicare Part B Drug Reimbursement

## IMPORTANT GROUPS FOR MEDICARE PART B DRUG REIMBURSEMENT

			
<p><b>MEDICARE ADMINISTRATIVE CONTRACTORS (MACs)</b></p> <p>Process claims for reimbursement of drug and administration services for <b>patients with Original Medicare</b></p>	<p><b>MEDICARE ADVANTAGE (MA) PLANS</b></p> <p>Create list of drugs and services the plans will cover, develop and implement prior authorization requirements, and pay providers for services and infused drugs</p>	<p><b>HCP</b></p> <p>Typically, reimbursed for the purchase and administration of infused medicines (“buy and bill”)</p>	<p><b>PATIENT</b></p> <p>Typically, responsible for 20% coinsurance for Part B drug and administration costs (can be offset by secondary insurance, or patient may have a maximum out-of-pocket payment per year)</p>



\*For more information on Specialty Pharmacies, see page 14

## What is a Medigap Plan?

- Medicare Supplement Insurance (Medigap) is extra insurance you can buy from a private health insurance company to lower or eliminate your out-of-pocket costs with an Original Medicare plan
  - You must have Original Medicare – both Part A (Hospital Insurance) and Part B (Medical Insurance) – in order to buy a Medigap policy
- NOTE:** If you have Medicare Advantage, you cannot purchase Medigap
- Medigap policies are standardized (ie, they offer the same basic benefits no matter where you live or which insurance company you buy the policy from), and in most states are named by letters, like Plan G or Plan K

## How Medicare Works With Other Insurance

- If you have Medicare and other health insurance (eg, a group health plan, retiree coverage, or Medicaid), each type of coverage is called a "payer." When there's more than one payer, "coordination of benefits" rules decide who pays first. The "primary payer" pays what it owes on your bills first, and then sends the rest to the "secondary payer" (supplemental payer) to pay
- If your group health plan or retiree coverage is the secondary payer, you may need to enroll in Medicare Part B before they'll pay

### Medicaid

- People who have both Medicare and full Medicaid coverage are "dually eligible." Medicare pays first with dual eligibility for services covered by Medicare Part A and Part B
- If you're dually eligible, you will automatically be enrolled in Medicare Part D with the Extra Help program that will cover your prescription medicine costs instead of Medicaid. With coverage for medicines, you'll never pay 100% of the cost for medicines covered by Medicare

### Medicare Advantage Dual-eligible Special Needs Plan (SNP)

- An SNP is a type of Medicare Advantage plan available for people who are dual eligible, live in certain institutions (eg, nursing homes) or require nursing care at home. SNP is also available to individuals who have specific conditions like diabetes or HIV/AIDS

### Veterans Affairs (VA) Benefits

- If you have both Medicare and Veterans' benefits, you can get treatment with either program
- Medicare and the U.S. Department of Veterans Affairs (VA) cannot pay for the same service or items. Each time you receive care, you must choose which benefits to use for your healthcare expenses
- If the VA authorizes services in a non-VA hospital, but did not authorize all of the services you receive during your hospital stay, then Medicare may pay for any Medicare-covered services the VA did not authorize



## How do Medicare Payments Differ by Setting of Care?

Your coinsurance amount for a service may vary depending on the setting in which you receive care.

The **Medicare Physician Fee Schedule (MPFS)** is used by Medicare to pay for HCPs' services, including office visits, surgical procedures, anesthesia services, and a range of other diagnostic and therapeutic services.

The **Hospital Outpatient Prospective Payment System (HOPPS)** is used by Medicare to pay hospitals a set dollar amount (called the payment rate) to give certain services to people with Medicare, such as hospital outpatient infusions. The payment rate may vary based on where the hospital is located.



## Additional Assistance Resources Available to You

Patients who need additional help getting their medicine may be eligible for other forms of assistance.

- Medigap is the only form of private coverage for Medicare beneficiaries that has no federally mandated annual open enrollment period
- There is a 6-month enrollment period for Medigap that starts during the first month that a patient has Medicare Part B and is 65 years of age or older. If the patient enrolls during this time, the patient cannot be denied coverage.
- During that time, enrollees can select any Medigap plan available in their area.
- Some states have implemented legislation that makes it easier for seniors to switch from one Medigap plan to another. You can check the Medigap options for your state at:  
<https://www.medicare.gov/medigap-supplemental-insurance-plans/>

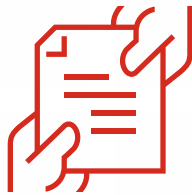
Medigap  
Coverage

The Extra Help Program, also known as the Low-Income Subsidy (LIS) Program, is a federal assistance program designed to help low-income patients enrolled in a Medicare Part D plan pay for their prescriptions.

You can check your eligibility and enroll at:

- <https://secure.ssa.gov/i1020/start>, or
- By calling Social Security Administration at 1-800-772-1213.

Medicare Part D  
Extra Help

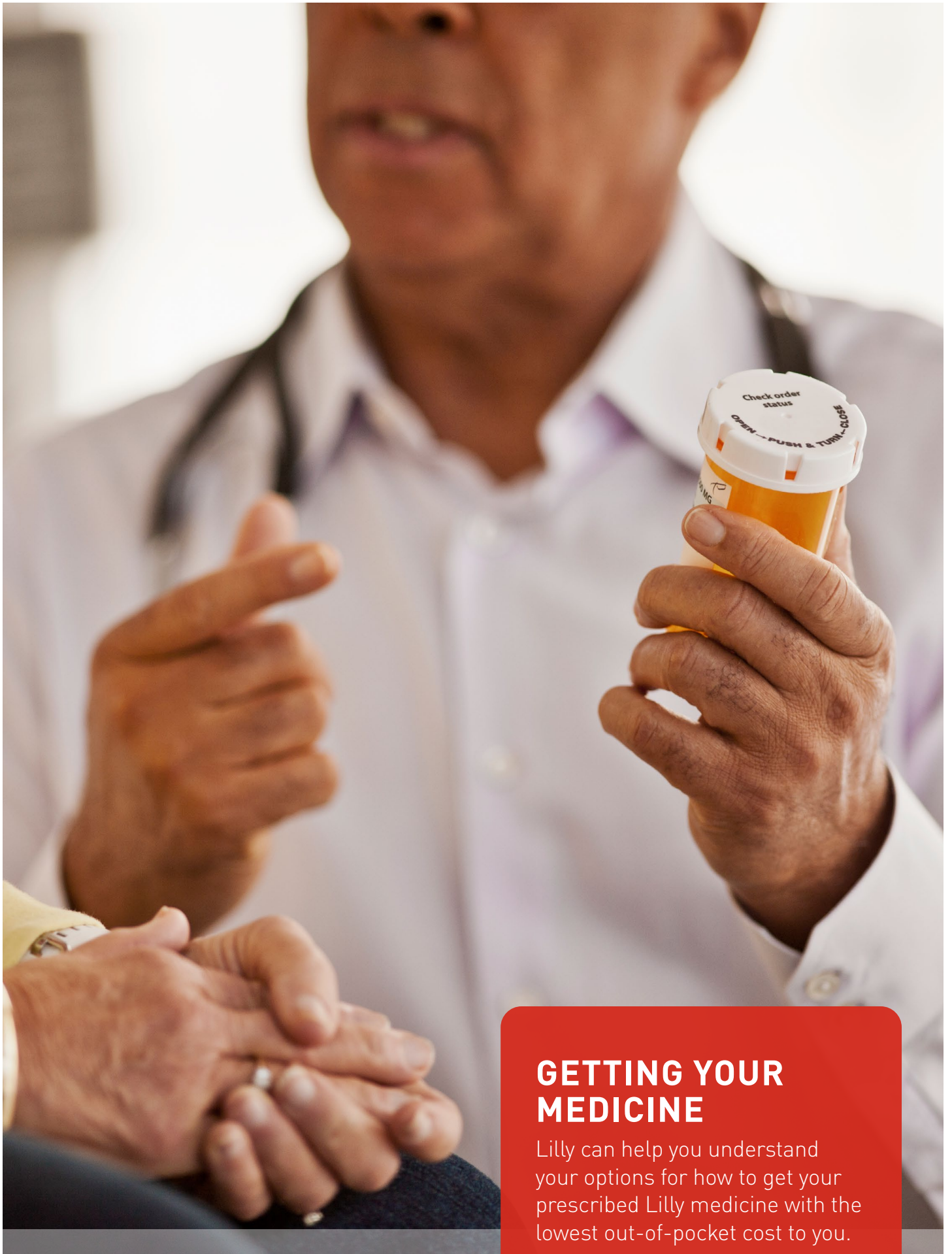


Independent Charitable  
Foundations

Some foundations exist independently of Lilly and have their own eligibility criteria and application processes. Availability of support from the foundations is determined solely by the foundations. Ask your HCP about independent charitable foundations that may be able to provide assistance for your specific needs.

Lilly Cares®  
Foundation

Lilly donates medicines to charitable organizations that provide Lilly medicines to eligible patients at no cost. One of these organizations, The Lilly Cares Foundation, Inc., a separate nonprofit organization, offers a patient assistance program to help eligible U.S. patients receive up to 12 months of prescribed Lilly medicines at no cost. For more information about Lilly Cares, please visit [LillyCares.com](http://LillyCares.com) or call 1-800-545-6962 Monday through Friday between 8 am and 6 pm ET.



## GETTING YOUR MEDICINE

Lilly can help you understand your options for how to get your prescribed Lilly medicine with the lowest out-of-pocket cost to you.

# How Lilly Can Help You Get Your Medicine

Depending on the medicine and your insurance coverage, your Lilly medicine may be filled through a retail pharmacy, specialty pharmacy, or through a process known as “buy-and-bill.”

## WHAT IS A SPECIALTY PHARMACY?

Specialty pharmacies fill prescriptions for specialty medicines used to treat complex or rare health conditions.

The complexity of specialty medicines may be due to:

- The way they are taken or used,
- Their side effects, or
- The conditions they treat.

Unlike a retail pharmacy where you can pick-up your prescription in person, specialty pharmacies are not located in brick and mortar stores.

	RETAIL PHARMACY	SPECIALTY PHARMACY	BUY-AND-BILL
<b>What type of prescriptions are filled?</b>	Fill prescriptions taken for: <ul style="list-style-type: none"> <li>• Short periods of time such as antibiotics, and/or</li> <li>• Long-term conditions such as high blood pressure or diabetes</li> </ul>	Typically only fill specialty medicines	For medicines that are billed under the Medical insurance benefit
<b>How soon can you get your medicine?</b>	Typically can be picked up the same day	May typically take a few days due to extra insurance approvals such as PA	May typically take a few days due to extra insurance approvals such as PA
<b>How can you get your medicine?</b>	Pick up directly inside pharmacy, via drive-thru if the pharmacy location allows, or by mail	Typically delivered to your home by mail or by a delivery service, also known as a courier	Typically, your HCP orders and stores the medicine at their office for in-office administration

## WHAT IS THE PROCESS FOR RECEIVING MY MEDICINE FROM A SPECIALTY PHARMACY?



**1**  
Your **HCP issues a prescription** for your medicine.



**2**  
Your **prescription is provided to a specialty pharmacy** (usually by your HCP).



**3**  
The specialty pharmacy **confirms whether your medicine is covered** by your insurance.



**4**  
The specialty pharmacy will **call you to schedule a date and time to deliver Lilly medicine**. The specialty pharmacy may call from a phone number you do not know.



**5**  
Your **medicine is mailed and delivered** to your home.



## WHAT IS BUY-AND-BILL?

- Buy-and-bill occurs when your medicine is billed through your medical insurance instead of your pharmacy insurance
- Typically for medicines administered by an HCP at a medical facility such as HCP office, infusion center or hospital outpatient facility
- Lilly medicines that are covered under Part B may be acquired through buy-and-bill

## WHAT IS THE PROCESS FOR RECEIVING MY MEDICINE THROUGH BUY-AND-BILL?



1

Your HCP orders medicine from a distributor and stores the medicine at their office



2

Your HCP provides you with treatment at office



3

Your HCP bills your medical insurance after you receive the medicine



4

You pay your copay or coinsurance to your HCP

## Supporting You Every Step of Your Treatment Journey

Whether you are just starting a Lilly medicine or have already begun, Lilly is here for you. At no additional cost, Lilly offers support and services to help you get started on your treatment journey and stay on track with your prescribed medicine.

Lilly is dedicated to developing treatments, but we're more than just our medicines. We're determined to do our part to help patients and their loved ones.

Lilly strives to offer individualized treatment support for eligible patients treated with Lilly medicines. For eligible patients, we can help you:

- Understand your insurance coverage,
- Review your financial assistance options, including independent patient assistance foundations, and
- For some medicines, receive dedicated, personalized support through every step of your treatment journey.



Check with your HCP to see if a support program is available for the Lilly medicine you are prescribed. If a support program is available, you can choose the enrollment option that is most convenient for you. Enrollment options may be different based on the support program for the Lilly medicine you are prescribed.

## Helpful Websites and Phone Numbers

Medigap	<a href="https://www.medicare.gov/medigap-supplemental-insurance-plans/">https://www.medicare.gov/medigap-supplemental-insurance-plans/</a>
Medicare Extra Help	<a href="https://secure.ssa.gov/i1020/start">secure.ssa.gov/i1020/start</a> 1-800-772-1213
Lilly Support Services™	1-800-LillyRx (1-800-545-5979)
Lilly Cares Foundation	<a href="https://lillycares.com">lillycares.com</a> 1-800-545-6962

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