

CHAMPIONING MEDICALLY INTEGRATED ONCOLOGY:

Celebrating
a Decade of Impact



2025 NCODA INTERNATIONAL
FALL SUMMIT

Beyond the Bill: Redefining Financial Navigation Amid Medicare Changes

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Championing Medically Integrated Oncology: CELEBRATING A DECADE OF IMPACT

OBJECTIVES

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1. Present a background on the IRA's Medicare Drug Price Negotiation Program (DPNP), including the potentially identified drugs over the next 3 years, and the potential impact on Medicare, providers, and patients
2. Review the various strategies to manage reimbursement
3. Discuss the impact on a typical practice and ultimately on patient care

DISCLOSURES

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- There are no relevant conflicts of interest to disclose for this presentation.

Medicare Drug Price Negotiation Program (DPPNP) - Background



- The IRA has introduced the new DPPNP, allowing CMS to negotiate the prices of certain high expenditure, single source drugs without generic or biosimilar competition.
- This program aims to reduce the cost of prescription drugs for Medicare beneficiaries. The first cycle of negotiations for initial price applicability year 2026 has already taken place, with ten drugs selected for negotiation.

Round (Effective year)	1st (2026)	2nd (2027)
Oncology Drugs	Ibrutinib (Imbruvica®)	Enzalutamide (Xtandi®) Pomalidomide (Pomalyst®) ** Palbociclib (Ibrance®) Acalabrutinib (Calquence®)
Total Gross DPPNP drug spend	\$45b	\$41b



Timeline

**YOU ARE
HERE**

2023: 9/1: CMS announced the first 10 drugs selected for the DPNP. MFP negotiated for 2026 implementation

2025: 2/1: CMS announced next 15 drugs negotiated for 2027. 11/30: MFP to be published

2027: 1/1: MFP for 2nd round goes into effect. 2/1: 20 additional B/D drugs will be selected for 2029. 11/30: MFP will be published.

2029: 1/1: MFP for 4th round goes into effect. 2/1: 20 additional B/D drugs will be selected for 2031. 11/30: MFP will be published.

2024: 9/1: MFP is published

2026: 1/1: MFP for first 10 drugs goes into effect. 2/1: 15 Med B/D drugs to be selected for 2028 DPNP. 11/30: MFP will be published.

2028: 1/1: MFP for 3rd round goes into effect. 2/1: 20 additional B/D drugs will be selected for 2030. 11/30: MFP will be published.

DPNP: Drug Price Negotiation Program
MFP: Maximum Fair Price
B/D: Medicare Parts B & D

Panel Questions



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Reimbursement Models

- To make dispensing pharmacies "whole", there are 3 options:
 - Prospective model of reimbursement
 - Retrospective model of reimbursement
 - Reduce cost of product from WAC to MFP
- It will be *up to each individual manufacturer* to determine how they will make Dispensing Entities (MIP/MID/SP) whole.
- Wholesalers and GPOs are also investigating options

WAC: Wholesale Acquisition Cost

MFP: Maximum Fair Price

MIP: Medically Integrated Pharmacy

MID: Medically Integrated Dispensing practice

GPO: Group Purchasing Organizations



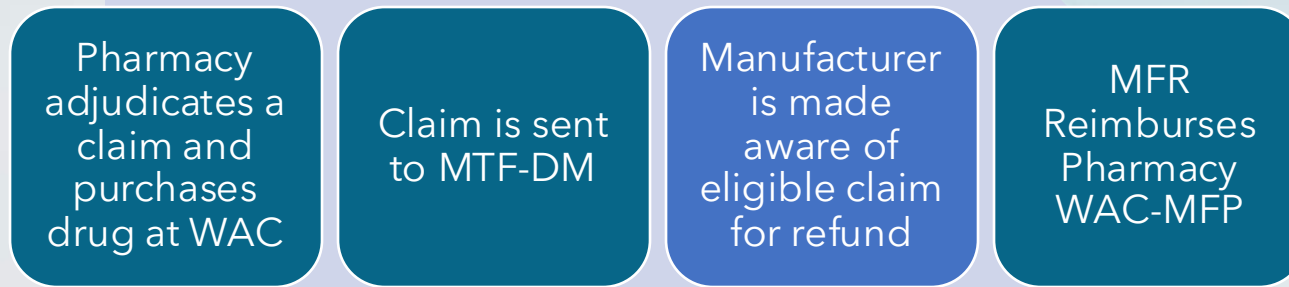


Billing & Reimbursement

- In the oncology space, the first drug to be included in the program is Ibrutinib. The *average* MFP set for a 30-day supply (based on NDC) is \$9,319, which is approx. \$7,500 below the current Wholesale Acquisition Cost (WAC) price.
- CMS has indicated that Pharmacy Benefit Manager (PBM) reimbursement may switch from an Average Wholesale Price (AWP)-based model to an MFP-based reimbursement (+ dispensing fee) for Medicare RXs. At this point PBMs have signaled that the reimbursement should be MFP neutral (i.e., plans will reimburse pharmacies at MFP as opposed to historic models of AWP- XX%).

Reimbursement Models

1. The Retrospective Model



Timeframe: Up to 21 days*

2. Lowering WAC -> MFP

- No back-end rebate needed
- No waiting 21+ days to be made whole
- Reduced operational concerns



Reimbursement Models

Prospective Model:

In a prospective model of MFP reimbursement, pharmacies would acquire selected drugs at the negotiated MFP price upfront.

- This approach simplifies payment logistics but requires significant system changes and coordination across the distribution channel.
- Manufacturers would then build on the existing chargeback model and add a new contract price based on MFP, so payment reconciliation could be handled between manufacturers and wholesalers.
- However, this model poses challenges in ensuring that products purchased at MFP are only administered to Medicare patients and in tracking MFP dispensing and verifying patient eligibility.



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MTF Modules

There are 2 MTF Modules:

- MTF Data Module (MTF-DM): Provides claim-level data elements confirming that the drug was dispensed to MFP-eligible individuals and initiates the 14-day prompt payment window **(Mandatory for Manufacturers)**
 - o CMS has awarded the MTF-DM contract to Department of Commerce and Consumer Affairs (DCCA).
- MTF Payment Module (MTF-PM): Provides manufacturers with a mechanism for transfer of funds **(Optional for Manufacturers)**
 - o CMS has awarded the MTF-PM to National Government Services (NGS).



Audience Question

Show of hands: Has your practice enrolled in the MTF-DM?



DO NOT WAIT!

If you have not registered, you need to register ASAP!

Have questions/need assistance?

-I will be available all day

-Email me: Douglas.Braun@NCODA.org



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Ibrutinib

AbbVie/Pharmacyclics has settled on implementing a model where ***Wholesale Acquisition Cost (WAC) will align with the MFP.***

- This will allow MIPs/Pharmacies to purchase/adjudicate/dispense and reconcile “as usual”
- Pharmacy will not have to wait for a rebate
- Pharmacy will not have to add extra operational measures to account for payments.



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2nd and 3rd Cycles (2027 and 2028)

- Cycle 2 will add a significant amount of oral oncolytics to the DPNP, including several commonly dispensed drugs:
 - o Pomalyst®, Calquence®, Ibrance®, Xtandi®
- Cycle 3 (2028) will introduce Part B medications, as well as potentially re-negotiate drugs from cycles 1 & 2.

Panel Discussions



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SUMMARY

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- The price reduction component of the IRA goes into effect on January 1, 2026
- Pharma, wholesalers & GPOs will determine how best to reimburse MIPs
- Pharmacies should start preparing now to accommodate workflow changes:
 - o Enrolling in the MTF-DM will allow eligible claims to get to manufacturers for reimbursement
 - o Work with wholesalers, pharma partners and GPOs to identify the best solution for your practice
 - o Ensure your reconciliation processes are in place to be able to receive and tie multiple payments to a claim

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