

## Section by Section Analysis

### Section I: Short Title

- Comprehensive Immunosuppressive Drug Coverage for Kidney Transplant Patients Act of 2013

### Section II: Extended Months of Coverage of Immunosuppressive Drugs for Kidney Transplant Patients

- Coverage of Immunosuppressive Drugs for Kidney Transplant Recipients:
  - An individual who receives a kidney transplant is entitled to benefits under Medicare Part A and eligible to enroll under Part B for up to 36 months after the transplant.
  - The Act would extend Medicare coverage for immunosuppressive drugs and add new coverage eligibility beyond the current 36 month timeframe under Part B.
- Eligibility for Immunosuppressive Drug Coverage under Part B:
  - Upon enactment, a kidney transplant recipient whose Medicare Part A insurance coverage has ended is eligible to enroll in Medicare Part B (without subsequently being enrolled in Part A) solely for purposes of coverage of immunosuppressive drugs.
- Enrollment and Coverage Period:
  - Kidney transplant recipients eligible for Part B for the purposes of receiving immunosuppressive drugs may enroll in Part B beginning three months before the month when the recipient's Medicare Part A insurance coverage ends *or* the Act creates automatic enrollment in Part B for coverage of immunosuppressive drugs
  - The coverage period ends when a kidney transplant individual becomes entitled to hospital insurance benefits (Part A) or benefits under Medicare for end stage renal disease.
- Premiums:
  - The Secretary of Health and Human Services must issue regulations each September with a monthly premium rate which will be the monthly premium paid by individuals who enroll in Part B for purposes of immunosuppressive drug coverage.
    - The rate will be 35 percent of the monthly actuarial rate for Medicare Part B enrollees over 65 for the succeeding year.
- Government Contributions:
  - Since the monthly premium is reduced from 50 percent of the monthly actuarial rate (traditional premium for the aged enrollees in Part B) to 35 percent for Part B enrollees over 65, the Act authorizes a government contribution (to the Federal Supplementary Medical Insurance Trust Fund) equal to the reduction in premiums paid under Part B.
- Does Not Grant Part D Eligibility:
  - Enrollment in Part B for the sole purpose of immunosuppressive drugs *does not* make the individual eligible for Medicare Part D.
- Secondary Payer Requirements:
  - Secondary payer requirements are extended in the context of ESRD individuals who are eligible for Part B coverage of immunosuppressive drugs.
  - The general rule is that, for 12 months, a group health plan may not take into account that an ESRD individual is eligible for benefits under Medicare. Under this Act, this

time limit does not apply for Part B coverage of immunosuppressive drugs; therefore, ensuring Medicare is the payer of last resort.

□ Coverage Under Medicare Savings Program:

- The Act adds to the current definition of “qualified Medicare beneficiary” (QMB), which is a category of beneficiaries under the Medicare Savings Program which provides health care benefits to low-income beneficiaries.
- Under current law, a qualified Medicare beneficiary is a person who is entitled to hospital insurance benefits under Part A, and the Act adds that this includes an individual who is enrolled under Part B for the purpose of coverage of immunosuppressive drugs.