Medicare Part D Redesign and Access to Lung Disease Medications

Introduction

As a result of the Medicare Part D benefit redesign, Part D plans have changed how they cover and manage drugs on formularies from 2024 (prior to implementation) to 2025 and 2026 (post–benefit redesign). However, not all medications had the same kinds of formulary changes. As a result, patients may experience different access benefits or challenges depending on the medicines they rely on.

The American Lung Association engaged Avalere Health to examine changes in Medicare Part D plan formularies from 2024 through 2026 for the 10 most used Part D medications for asthma and chronic obstructive pulmonary disease (COPD), as well as the ten most used lung cancer medications. The drugs analyzed include brand-name drugs without generic equivalents—medications where formulary placement is especially important for patient access because there are no direct substitutes. The data analysis also compared coverage and barriers to access for these drugs in standalone Medicare Prescription Drug ("Part D") plans as well as Medicare Advantage Part D plans.

Across the two conditions analyzed, Part D formularies changed more for medications used to treat asthma and COPD, compared to lung cancer medications. The most substantial shifts that Part D plans made for these drugs were changes in the medications covered on formularies and shifts from copays to coinsurance. This means patients will pay more at the pharmacy to access their medications, if they are covered.

Background

Medicare Part D covers prescription drugs for Medicare enrollees. Many enrollees receive coverage through standalone Medicare Prescription Drug plans, typically for enrollees with traditional Medicare. Other enrollees receive coverage through Medicare Advantage plans – private health plans offered as an alternative to traditional Medicare – that often have a prescription drug plan included.

As part of the 2022 Inflation Reduction Act, important changes were made to the Medicare Part D program. The new benefit design changed the distribution of costs between patients, the government, insurers and drug manufacturers. Additionally, the redesign capped the annual out-of-pocket costs that patients pay to $2,000 in 2025, with the cap growing modestly over time. For example, in 2026 the cap is $2,100.

The cap on out-of-pocket spending is an important protection for patients in the Medicare Part D redesign. Patients on Medicare often have fixed incomes and struggle to afford the high costs of their prescription drugs. For example, in 2024, a KFF poll found that 25% of seniors over 65 had trouble affording their prescription drugs. For patients with lung diseases like asthma, COPD and lung cancer,

medications can be life-saving, and delays in access to medications because of cost can lead to irreversible lung damage and worsen the chances of survival.

Methodology

This analysis used the Centers for Medicare & Medicaid Services (CMS) Part D Public Use Files (PUFs) reflecting plan years 2024, 2025, and 2026. Coverage was analyzed and summarized at the contract/plan level and averaged across all plans and plan types each year. All results are weighted based on plan enrollment. Because the analysis examines results across many plans and drugs (i.e., results are aggregated across all drugs included in the analysis, across plans and are weighted by enrollment), findings are reported as a "percent of the time" a result occurs (e.g., Part D plans cover asthma and COPD drugs 85% of the time, or 85% of Part D enrollees are enrolled in a plan that covers asthma and COPD medications).

The analysis included brand-name drugs without generic equivalents across two categories of lung-related conditions. Ten Part D drugs were included for asthma/COPD and ten Part D drugs were analyzed for lung cancer. The drugs chosen were the top branded drugs by Medicare Part D beneficiary utilization for each condition, as reported in the Medicare Part D drug spending dashboard for the most recent (2023) year of data.

The analysis included 10 branded drugs for lung cancer: Alecensa, Alunbrig, Krazati, Lorbrena, Lumakras, Retevmo, Rozlytrek, Tabrecta, Tagrisso, and Xalkori. For asthma/COPD, the 10 branded drugs analyzed were Anoro Ellipta, Arnuity Ellipta, Atrovent HFA, Breo Ellipta, Breztri Aerosphere, Dulera, Incruse Ellipta, Qvar RediHaler, Stiolto Respimat, and Trelegy Ellipta. All 20 drugs were available in each plan year analyzed (2024–2026).

Key Findings

Changes in Coverage for Asthma and COPD Medications

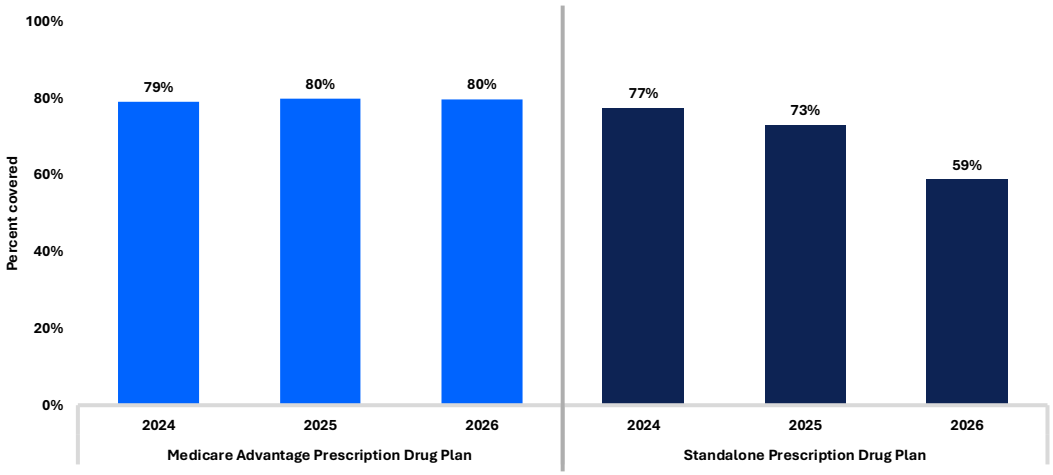
In 2024, the 10 asthma and COPD drugs analyzed were covered 78% of the time across all Part D plans.[*] While coverage for these drugs decreased by only one percentage point in 2025, by 2026 coverage declined to 71% (a seven-percentage point decrease). This shift in coverage among the analyzed asthma and COPD drugs is larger than observed decreases in coverage from 2025 to 2026 across the top 100 brand drugs by Part D drug spend among standalone Part D plans and Medicare Advantage Part D plans (one- to two-percentage point decrease).[†]

[*] Because the results of this analysis are aggregated across all drugs included in the analysis, across all Part D plans, and are weighted by enrollment, findings are reported as a "percent of the time" a result occurs (e.g., Part D plans cover asthma and COPD drugs 85% of the time, meaning 85% of Part D enrollees are enrolled in a plan that covers asthma and COPD medications).

[†] Avalere Health. Part D Formulary Management Tightens in 2026. November 2025.

Coverage shifts for asthma and COPD drugs were not consistent across all plan types. Coverage among standalone Part D plans for the 10 analyzed asthma and COPD drugs decreased by 18 percentage points from 2024 to 2026, declining from 77% of the time in 2024 to 59% in 2026, with the largest decrease in coverage occurring between 2025 and 2026. Meanwhile, coverage among Medicare Advantage Part D plans increased slightly, from 79% in 2024 to 80% in both 2025 and 2026 (Figure 1).

Figure 1. Percentage of top branded asthma and COPD drugs covered among Medicare Advantage Part D Plans and standalone Part D Plans, 2024–2026



Additionally, changes in coverage were not consistent across the 10 medications analyzed. Across these drugs, coverage in 2026 ranged from 12% to 100% among all plan types. Changes in coverage from 2024 to 2026 among standalone Part D plans ranged from a 7-percentage point increase in coverage for one drug to a 50-percentage point drop in coverage for another, with coverage for three other medications declined by more than 35 percentage points. Meanwhile, changes in coverage from 2024 to 2026 were more minimal for Medicare Advantage Part D plans, ranging from a four-percentage point decrease for one drug to a five-percentage point increase for another. These findings highlight that a Medicare beneficiary may experience very different changes in coverage depending on the medications they take and the plan they enroll in.

Changes in Tier Placement and Cost Sharing for Asthma and COPD Medications

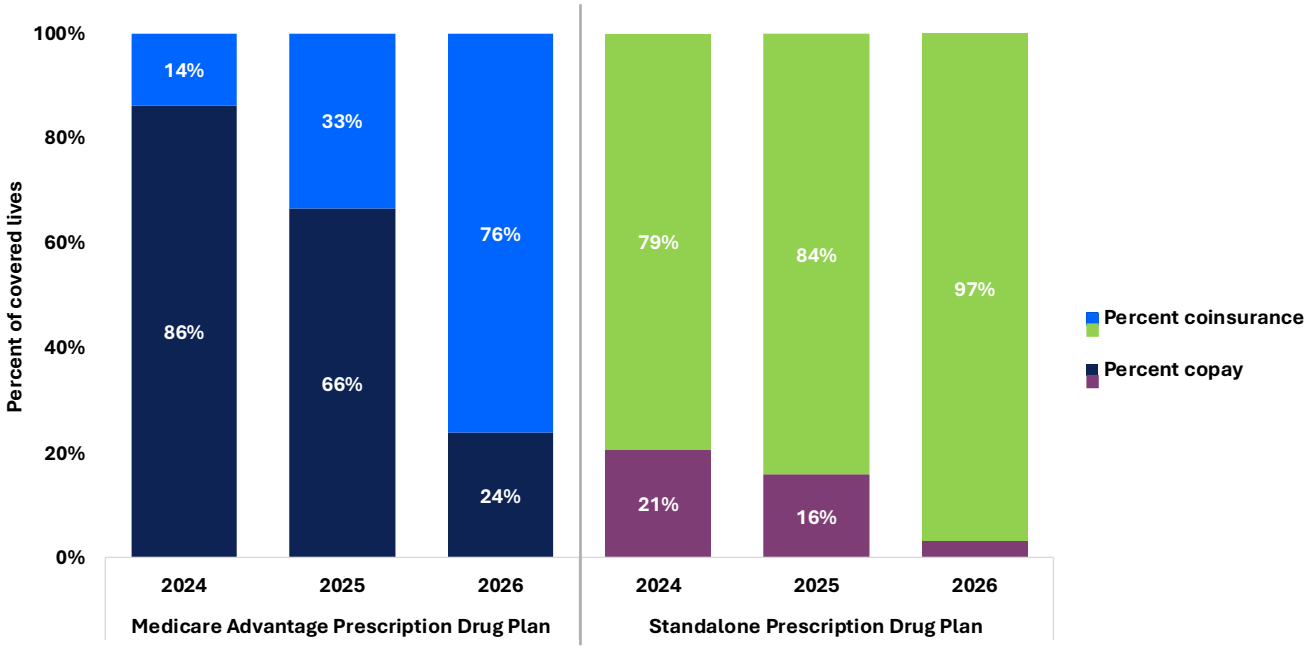
Despite the declines in overall coverage for the analyzed asthma and COPD medications, most covered drugs remained predominantly placed on the preferred brand tier across all plan types in 2026. These drugs were placed on the preferred brand tier 78% of the time in standalone Part D plans (a two–percentage point decrease from 2024) and 80% of the time among Medicare Advantage Part D plans (a one–percentage point increase compared with 2024 and 2025). Two of the 10 drugs evaluated were primarily placed on non-preferred drug tier during the analysis period, meaning beneficiaries taking these medications would likely pay higher cost sharing compared to other top medications.

Even though Part D plans kept the analyzed asthma and COPD drugs on the same formulary tiers from 2024 to 2026, they changed how patients pay for them. Over this period, Part D plans increasingly replaced flat copays with coinsurance, where patients pay a percentage of the drug's cost instead of a set dollar amount. Because coinsurance is based on the drug's price, it can increase patient cost sharing compared to a flat copay.

Coinsurance was used for the analyzed asthma and COPD drugs about 39% of the time in 2024, but rose to 83% in 2026. Like changes in coverage, shifts in coinsurance also varied by plan type. Over the past several years, use of coinsurance has been higher among standalone Part D plans compared to Medicare Advantage Part D plans overall. For standalone Part D plans, use of coinsurance increased by 18percentage points for the analyzed asthma and COPD drugs during the analysis period, reaching 97% of covered lives in 2026.[‡] Among Medicare Advantage Part D plans, use of coinsurance increased by 62 percentage points for asthma and COPD drugs, reaching 76% of covered lives in 2026, with the most pronounced changes occurring between 2025 and 2026 (Figure 2). This indicates that Medicare Advantage Part D plans have increased the use of coinsurance over time, approaching the levels observed for standalone Part D plans.

[‡] The analysis calculates "covered lives" by dividing the number of enrollees who have access to a drug (covered lives) by the total number of plan enrollees. The results reflect the proportion of all beneficiaries who actually have coverage for a given drug, rather than simply counting the number of plans offering coverage.

Figure 2: Percentage of covered lives with coinsurance vs. copays for top branded Asthma and COPD drugs, Medicare Advantage Prescription Drug Plans and standalone Prescription Drug Plans, 2024–2026



Utilization Management for Asthma and COPD Medications

Overall, utilization management remained relatively limited for most of the asthma and COPD drugs analyzed. Among the ten asthma and COPD medications, no utilization management was required ("open access") 97% of the time across plan types in 2026. Four of the five largest Part D plan sponsors maintained open access 100% of the time for these drugs across years. However, targeted changes in utilization management requirements among specific plans and for certain medications may increase access barriers for some beneficiaries. For example, prior authorization requirements for one drug increased by 13 percentage points from 2024 to 2026 among standalone Part D plans.

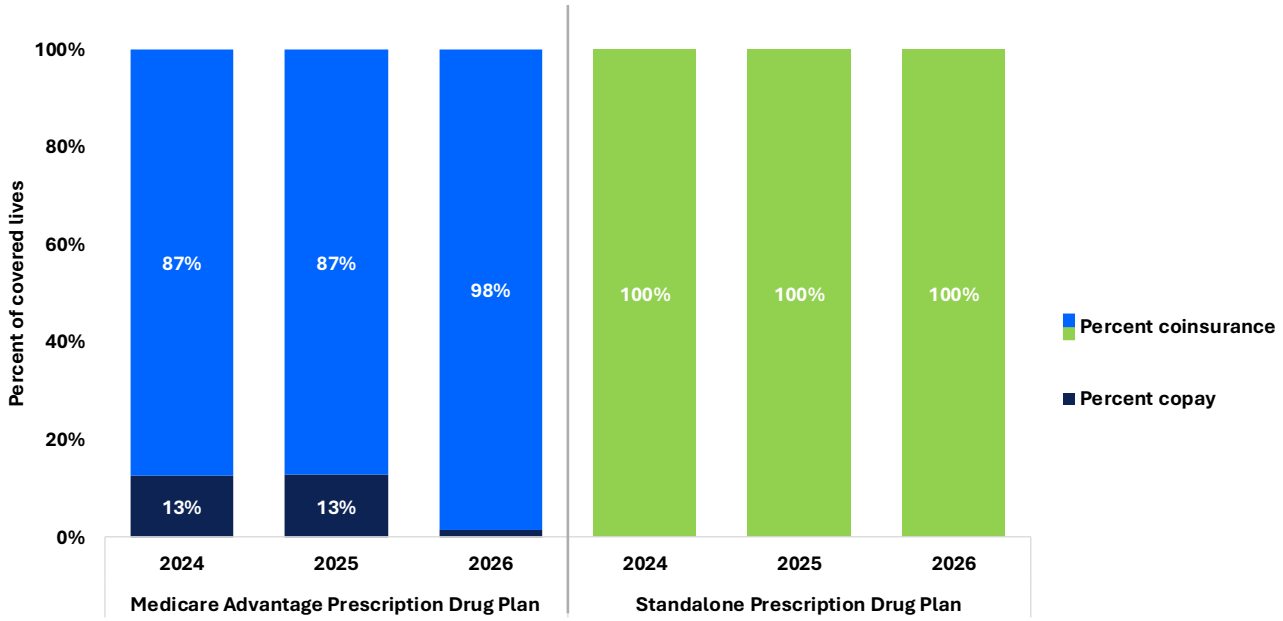
Key Findings for Lung Cancer Medications

Unlike medications used to treat asthma and COPD, formulary changes among Medicare Part D plans were limited from 2024 to 2026 for lung cancer medications. In Medicare Part D, cancer drugs, including those to treat lung cancer, are one of the six protected classes, meaning Part D plans are required to

cover effectively all drugs in this class. Given these requirements, the analyzed lung cancer medications remained fully covered from 2024 to 2026.

The ten lung cancer medications also remained on the specialty tier, which is typically reserved for these more complex therapies. Among all Part D plans, these drugs were placed on the specialty tier 97% or more of the time from 2024 to 2026. Given placement on the specialty tier, use of coinsurance is also common for these medications. For standalone Part D plans, coinsurance was required 100% of the time from 2024 to 2026. For Medicare Advantage Part D plans, use of coinsurance increased by 11 percentage points from 2024 to 2026, increasing from 87% of the time in 2024 and 2025 to 98% of the time in 2026 (Figure 3). This was driven by overall increases in the use of coinsurance on the specialty tier over time among Medicare Advantage plans.

Figure 3: Percentage of covered lives with coinsurance vs. copays for top branded lung cancer drugs, standalone Prescription Drug Plans vs. MA Prescription Drug Plans, 2024–2026



Prior authorization was the dominant utilization management approach applied to the analyzed lung cancer medications. Prior authorization is used 100% of the time for standalone Part D plans, and 95% of the time for Medicare Advantage Part D plans, with no change from 2024 to 2026.

American Lung Association.

Conclusion

Findings for both lung cancer and asthma/COPD drugs illustrate how Medicare Part D formulary management is evolving in the context of the Part D benefit redesign.

Lung cancer medications remained universally covered across all plan types, with stable tiering and consistent use of prior authorization. Use of coinsurance increased modestly in Medicare Advantage Part D plans but remained high across standalone Part D plans throughout the period.

Asthma and COPD medications, by contrast, experienced reductions in coverage among standalone Part D plans and shifts from copays to coinsurance for both standalone and Medicare Advantage Part D plans, with additional increases in utilization management for some drugs. These trends were most pronounced between 2025 and 2026 and were driven in part by the decisions of select large plan sponsors.

For Medicare beneficiaries, these changes mean that patients using medications for asthma or COPD may face more limited coverage options and higher out-of-pocket costs depending on the plan they are enrolled in. Specifically, beneficiaries who typically have lower drug spending, and who are not likely to benefit from the new Part D out-of-pocket cap, may face higher costs as Part D plans shift towards coinsurance and away from flat copays. In contrast, patients using the analyzed lung cancer medications are more likely to experience stable coverage and benefit from the out-of-pocket spending cap under the redesigned Part D benefit.

These findings underscore the importance of monitoring how plans respond to the evolving financial incentives under Part D redesign. The Centers for Medicare and Medicaid Services (CMS) need to have robust monitoring and oversight systems in place to continuously evaluate how plan changes affect access and affordability for patients with chronic respiratory conditions. Additionally, these findings highlight the importance of clear, transparent tools to help patients understand and compare their plan options. Consumer-friendly tools, as well as adequate enrollment support, can help patients navigate the differences in coverage and cost between plans to make decisions that will allow them to best manage their lung conditions.