Medicare and HIV

Medicare, the federal health insurance program for people age 65 and older and younger adults with permanent disabilities, is an important source of health coverage for people with HIV. As the size of the U.S. HIV positive population has grown over time, due to an increased lifespan for people with HIV but also a steady number of new infections, so too has the number of Medicare beneficiaries with HIV. Both the Medicare Modernization Act of 2003 and the Affordable Care Act (ACA), signed into law in 2010, included a number of important provisions related to Medicare and its role for people with HIV. Key facts about Medicare and HIV include:

- The number of Medicare beneficiaries with HIV has tripled since the 1990s, rising from 42,520 in 1997 to 120,000 in 2014.
- Approximately one quarter of people with HIV in care get their health insurance coverage through Medicare.
- Medicare spending for HIV has also increased over time, and the program is now the single largest source of federal financing for HIV care and treatment.
- While most people with HIV on Medicare are under age 65 and qualify because of a disability, a growing share is 65 and older, many of whom aged onto the program.
- The majority of Medicare beneficiaries with HIV are dually eligible for Medicare and Medicaid, and receive low-income subsidies under Part D.

**Medicare Beneficiaries with HIV**

Medicare enrollees with HIV are increasing in number but make up only a small share (<1%) of the overall Medicare population. Of the 120,000 traditional (fee-for-service) Medicare beneficiaries estimated to be HIV positive, nearly eight in 10 (79%) are under age 65 and qualify for Medicare because they are disabled and receiving Social Security Disability Insurance (SSDI) payments, which entitle them to Medicare after a two-year waiting period. By comparison, only 17% of Medicare beneficiaries overall qualify based on disability. The remaining 21% of beneficiaries with HIV are ages 65 and older, almost two thirds (63%) of whom first became eligible for the program based on age alone.

When compared to the overall Medicare population, beneficiaries with HIV are disproportionally male (74% vs 45%), black (43% vs 10%), and dually eligible for Medicare and Medicaid (69% vs 21%). They also have higher rates of certain co-morbidities. For example, 21% of HIV positive beneficiaries are co-infected with viral hepatitis (types A-E) compared to 1% of the overall Medicare population and 34% have depression compared to 17% of the overall Medicare population.

**Medicare Eligibility for People with HIV**

The three main pathways to Medicare eligibility are based on age, disability, and disease state and in most cases require an enrollee to have sufficient work credits based on their employment history (see Table 1).
Medicare and HIV

In FY 2016, Medicare spending on HIV totaled $10 billion, representing 51% of federal spending on HIV care, but just 2% of total Medicare spending (Figure 1).7 HIV spending under Medicare has increased over time, as the number of beneficiaries has grown and with the addition of the Part D prescription drug benefit. In fact, because of Part D, Medicare spending on HIV became the single largest source of federal financing for HIV care in 2006, surpassing federal Medicaid spending on the disease for the first time,8 in part due to the shifting of drug costs from Medicaid to Medicare for those who were dual beneficiaries.

Average Medicare per capita spending for HIV-positive beneficiaries was $45,489 in 2014. More than half of this total ($26,761, or 59%) was Part D drug spending. By contrast, average spending for Medicare beneficiaries overall was $11,651, of which $1,821 (16%) was Part D drug spending in 2014. Of note, average annual Medicare spending in 2014 was substantially higher for HIV positive beneficiaries who were low-income subsidy (LIS) recipients (see below) compared with HIV positive non-LIS recipients ($50,262 v $34,555).

Medicare Benefits

Medicare provides broad coverage of many basic health care services, including hospital care, physician services, and prescription drugs. Medicare benefits are organized and paid for in different ways and are separated into four parts (see Table 2).
Table 2: Medicare Benefits

| Part A (Hospital Insurance) | Inpatient hospital services, skilled nursing facilities, home health visits, and hospice care |
| Part B (Medical Insurance) | Physician, outpatient, preventive services (including HIV screening), physician administered drugs, and home health visits |
| Part C (Medicare Advantage) | Private plans (primarily HMOs) contract with Medicare to provide Part A, Part B, and, in most cases, Part D, to enrollees |
| Part D (Prescription Drug Benefit) | Voluntary outpatient prescription drug benefit delivered through private plans that contract with Medicare; additional premium and cost-sharing assistance for beneficiaries with low-incomes and modest assets |

While Medicare provides coverage of important medical benefits, it has relatively high cost-sharing requirements, no cap on out-of-pocket spending under traditional Medicare for services covered under Parts A and B, and does not cover all services that may be important to people with HIV, such as long-term care and dental. Because of this, many HIV positive beneficiaries need additional cost-sharing assistance. Part D offers premium and cost-sharing assistance for beneficiaries with low incomes and modest assets through the low income subsidy (LIS) program and in 2014, 77% of HIV positive Medicare beneficiaries qualified for this benefit. In addition, Medicaid provides supplemental coverage that helps to cover premiums and cost sharing for low-income dual beneficiaries. Finally, the Ryan White HIV/AIDS Program can also help eligible HIV-positive beneficiaries with health coverage expenses. Medicaid, the Ryan White Program, and other payers may also provide additional services, such as case management and transportation assistance, that Medicare does not provide.

Among services covered by Medicare that are important to people with HIV are:

- **Part D prescription drug coverage**: The addition of the Part D benefit to Medicare in 2006 marked an important change for Medicare beneficiaries, especially those with illnesses and chronic conditions treated by costly medications, including those with HIV. Part D offers subsidized prescription coverage to beneficiaries who enroll in private plans, along with a catastrophic benefit. Plans under Part D are required to cover all approved antiretrovirals (ARVs), consistent with CMS guidelines and codified in law by the ACA, designating ARVs as one of “six protected” drug classes. There is no requirement for plans to cover all other non-ARV drugs that might be needed to treat HIV-related illness or other comorbidities. The program includes a “coverage gap” which, as mandated by the ACA, will gradually be phased out by 2020, when beneficiaries will pay 25% of the cost of their drugs in the gap. Until then, non-LIS recipients are liable for all prescription drug costs in the coverage gap, many of whom rely on Ryan White’s AIDS Drug Assistance Program (ADAP) for help with these expenses.

- **HIV testing**: In 2015, Medicare expanded access to HIV testing by covering a once-per-year voluntary test for all beneficiaries between the ages of 15 and 65, regardless of perceived risk. Those under age 15 and over age 65 are also covered if they are at increased risk, defined to include anyone who asks for a test. Pregnant beneficiaries are also covered for HIV screening.

- **Facial wasting (lipoatrophy) treatments**: Since 2010, Medicare has covered FDA-approved facial wasting (lipoatrophy) treatments for Medicare beneficiaries who have experienced depression as result of facial lipoatrophy caused by antiretroviral drug use.

**Future Outlook**

Medicare, the largest source of federal spending on HIV care, will continue to play a growing role for people with HIV as the population ages and life expectancy increases. As such, it will be important to continue to monitor Medicare’s role for people with HIV, particularly the Part D prescription drug benefit as well as Medicare’s interaction with the Medicaid and Ryan White programs. More generally, as policymakers consider numerous proposals to change Medicare—to address concerns about its future financial solvency amidst a growing aging population and increasing per capita costs—it will be important to assess how such changes could affect access for people with HIV. Of particular note, proposals to reduce drug costs could be especially significant for HIV positive beneficiaries who face high out-of-pocket costs.
ENDNOTES


2 Unless otherwise noted, data on the number and characteristics of Medicare beneficiaries with HIV in this fact sheet are based on Kaiser Family Foundation analysis of 2014 data from the Medicare 5 percent sample, a claims-based dataset obtained from the Chronic Conditions Data Warehouse (CCW) of the Centers for Medicare & Medicaid Services (CMS). The 5% sample includes beneficiaries in traditional (fee-for-service) Medicare only, and therefore does not include those enrolled in Medicare Advantage plans. Beneficiaries in fee-for-service Medicare account for 69% of all Medicare beneficiaries.

3 The 1997 estimate is from Gilden DE, Kubisiak JM, Gilden DM. Managing Medicare’s HIV Caseload in the Era of Suppressive Therapy, AJPH. Vol. 97, No. 6; June 2007. The 2014 estimate is based on Kaiser Family Foundation’s analysis.

4 Kaiser Family Foundation analysis of the 5% sample (see endnote 2) and CDC. (2014) Vital Signs: HIV Diagnosis, Care, and Treatment Among Persons Living with HIV — United States, 2011. MMWR. 63(47):1113-1117. Available at: [http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6347a5.htm?s_cid=mm6347a5_w](http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6347a5.htm?s_cid=mm6347a5_w)

5 Personal communication, CMS, April 2016

6 The traditional Medicare program offers services and benefits on a fee-for-services basis. 69% of beneficiaries get their care through the traditional Medicare program (some of whom have additional supplemental coverage). Other beneficiaries (31%) receive coverage through Medicare Advantage, or Part C, in which private plans, such as HMOs and PPOs, deliver benefits, an option that has been available since the 1970s.

7 Personal communication, White House Office of Management and Budget, February 2016. CBO May 2016 10-year budget projection. Available at: [https://www.cbo.gov/about/products/budget_economic_data#3](https://www.cbo.gov/about/products/budget_economic_data#3).

8 Personal communication, CMS, April 2016.