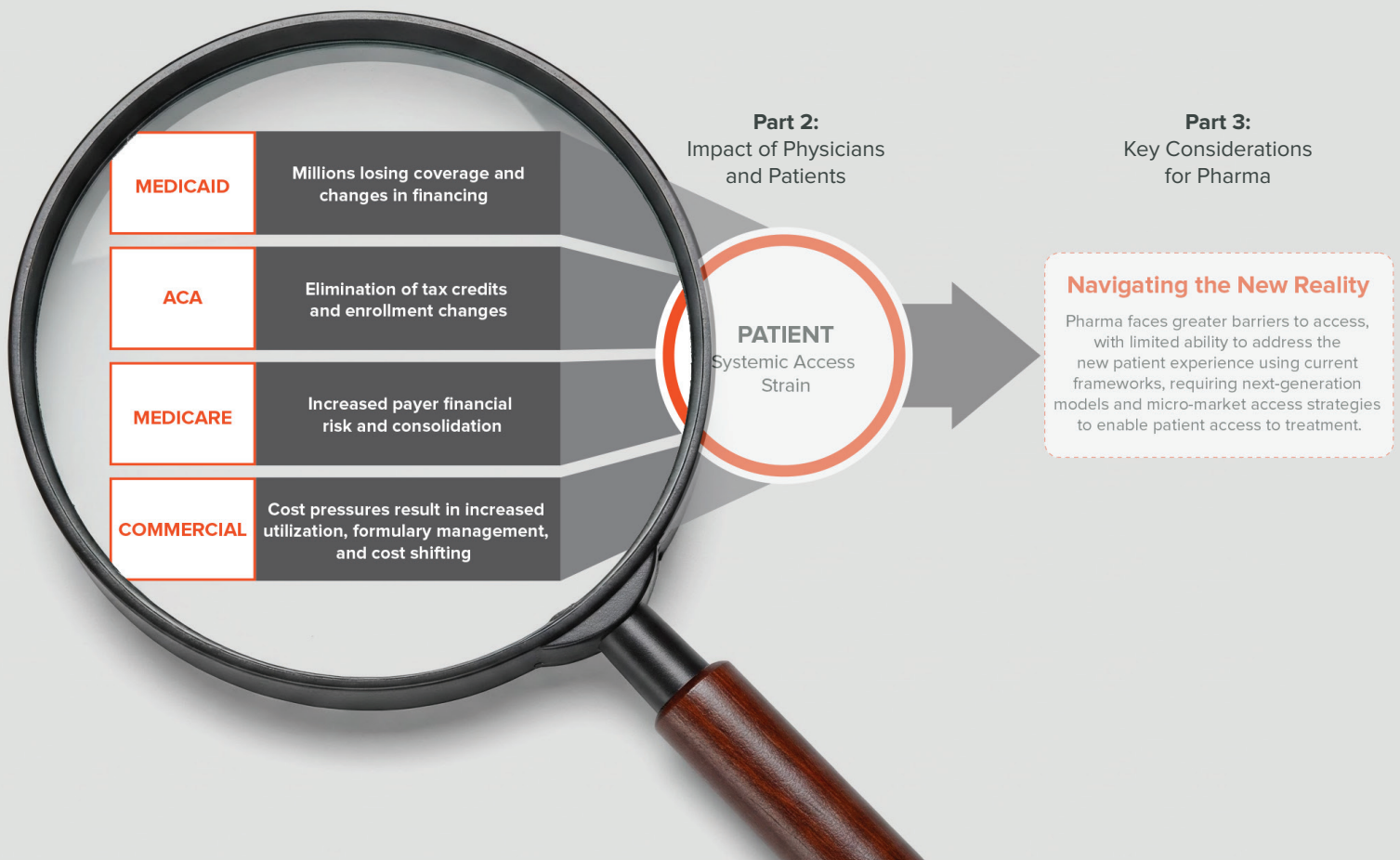




Four Converging Market Forces Impacting Patient Access Series

Part 1: Understanding the Emerging Access and Affordability Challenges

PART 1 FOCUS:



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Introduction

Patient affordability and access to therapies are facing 4 major forces: Changes to Medicaid Eligibility, Accountable Care Act (ACA) Reforms and Loss of Tax Credits, Consolidation of Medicare Part D Plans, and Increased Cost Sharing. These forces will disproportionately impact patients with rare and oncology diagnoses. The combined effects of these 4 forces will create challenges for pharmaceutical manufacturers' efforts to support patients. This article will examine the origin and impact of these 4 forces. Future articles in this series will describe the implications for patients and manufacturers.

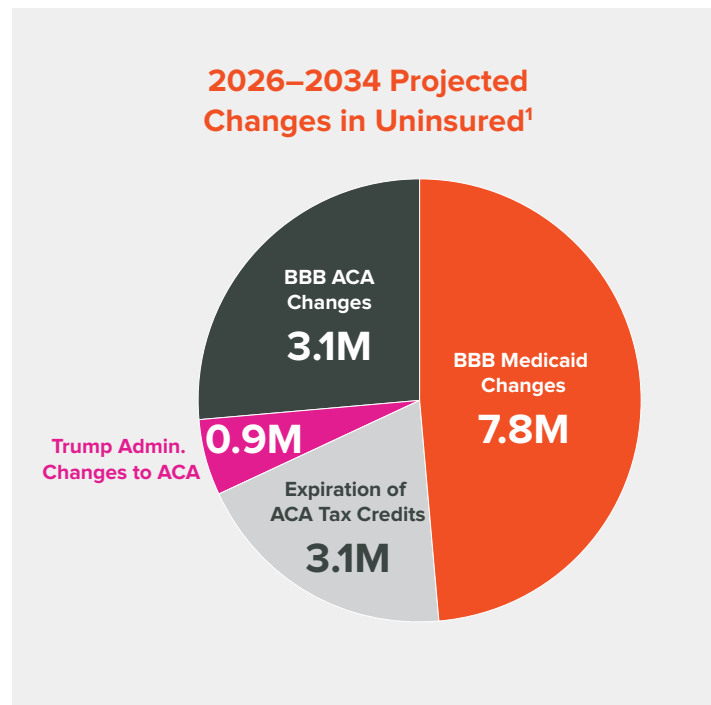
Medicaid Program Changes

The Big Beautiful Bill (BBB) legislation includes significant reductions to Medicaid and CHIP that will affect patients' access to healthcare. The legislation scales back aspects of Medicaid expansion and adds restrictive measures affecting patients, including new cost-sharing requirements, semiannual eligibility checks, and mandatory work requirements. It also affects Medicaid financing by reducing state payments to managed care plans and imposing a freeze on provider taxes. Overall, these changes are projected to cut Medicaid spending by \$880–\$990 billion over 10 years and could lead to 7.8 million people losing coverage within 5 years.¹ The final impact of these changes will be determined by states as they assess options to increase spending to cover services and patients or follow the federal policy resulting in fewer covered patients.

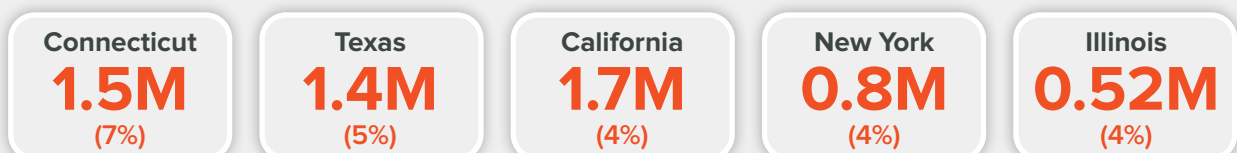
ACA Reforms Increase Uninsured

The ACA is expected to face similar disruptions. The BBB removes premium tax credits for low- to moderate-income families, increases the risk of repayment obligations due to income-estimate discrepancies, shortens the enrollment period, and eliminates tax credits for premium support. Analyses estimate that these changes could result in up to 7 million people losing coverage.² While both political parties have made a number of efforts to address some of these changes, none has gained traction as of the date of this article.

Together, Medicaid and ACA reforms are projected to significantly increase the number of uninsured. For patients with complex or chronic conditions, the shifting eligibility rules and new coverage limits are likely to create confusion, delays in care, and difficulty maintaining access to essential therapies. The outcome will be a fragmented and challenging insurance coverage landscape.



States With the Greatest Increase in Uninsured From Medicaid and ACA Changes²



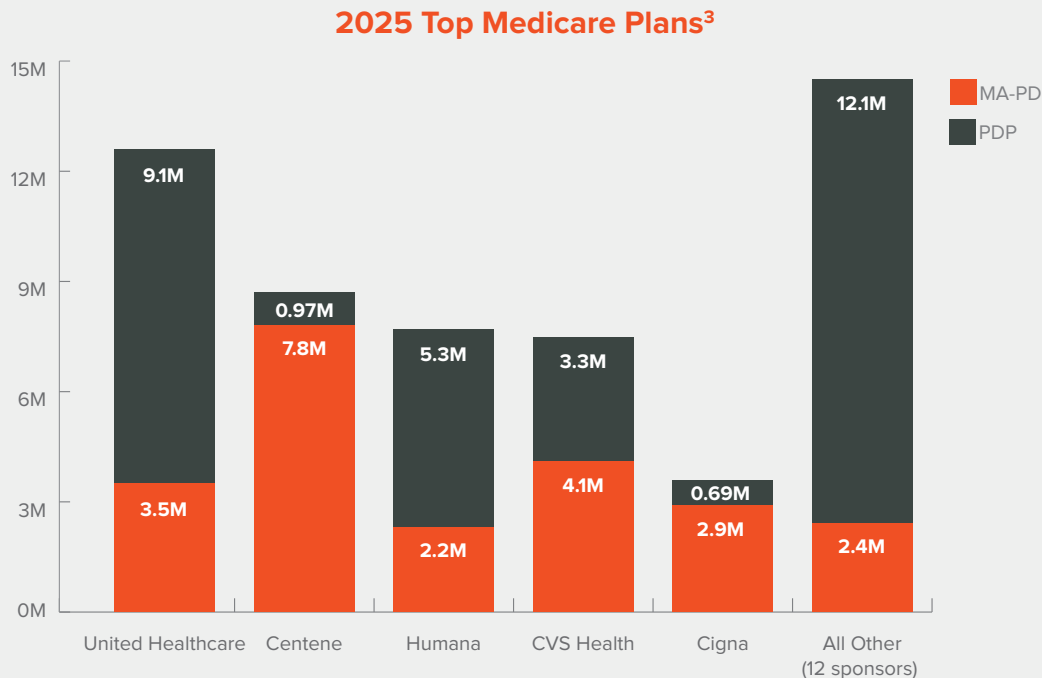
Consolidation of Medicare Part D Plans

The Inflation Reduction Act (IRA) of 2022 introduced 3 significant changes that are reshaping the Part D payer landscape:

- Shift of risk in the catastrophic phase from CMS to Part D plans, increasing payer financial exposure to higher-cost drugs
- Lower out-of-pocket (OOP) caps for Medicare beneficiaries increase financial costs for plans
- Premium stabilization rules limit pricing flexibility to offset cost increases

These changes have dramatically compressed margins for MA-PDs and PDPs, leading to rapid plan consolidation and a shift to MA-PDs. The number of PDPs has plummeted by 55% since the IRA's passage, reaching a record low of 326 plans for 2026 while MA-PD plans have seen rapid growth in enrollment and consolidation with top payers controlling 73.5% of the Part D market.³ MA-PD plans have a market advantage over PDPs with diversified revenue, medical management tools, and risk adjustment—driving enrollment from the PDP market. In addition to changes in catastrophic risk, several other factors have negatively impacted the PDP market:

- Lower patient OOP caps reduce cost-sharing revenue—compressing margins for PDPs and increasing the financial burden on plan sponsors
- Premium stabilization rules limit pricing flexibility, preventing PDPs from offsetting rising specialty drug costs through premium increases



As a result, patients face a Medicare market with fewer Medicare plan options, increasingly restrictive formularies that focus on generics, and greater barriers to treatment access from the increasing use of prior authorization (PA) and step edits. Manufacturers are challenged by increasing rebate demands in exchange for preferred product positions, which decreases patient choice.

Increased Cost Sharing

In response to rising healthcare costs, payers are restructuring benefit designs. As a result, patients are bearing greater financial responsibility through higher cost sharing, while both patients and healthcare providers are challenged with increased utilization management (UM) and narrowed formularies. These shifts create barriers to patient access and affordability, with the greatest burden falling on individuals with complex, rare diseases, and oncology diagnoses.

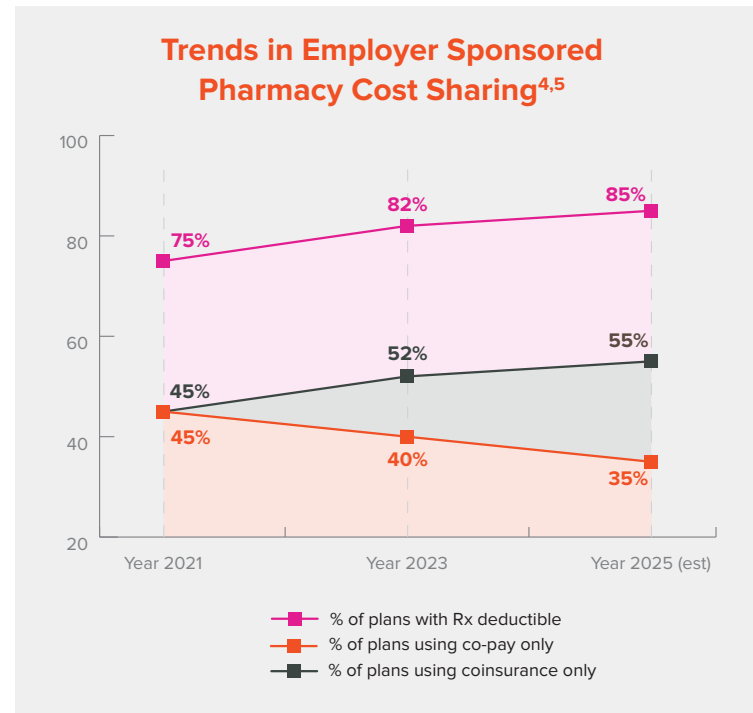
Patient cost sharing for prescription drugs has increased dramatically, driven by the growing use of deductibles and coinsurance:

- Deductibles: Up to 85% of employer-sponsored plan members are subject to pharmacy deductibles, with an average annual cost of \$900
- Coinsurance: Increasingly replacing co-pays, with 55% of plans using coinsurance
- Impact on branded and specialty drugs: Coinsurance for third- and fourth-tier drugs averages 30%–35%, creating a substantial out-of-pocket cost burden

UM, including PA and step therapy, continues to increase for high-cost branded and specialty therapies. Recent analyses indicate that more than 80% of drugs costing over \$1,000 per month face formulary restrictions or PA/step therapy requirements in Medicare plans.⁶

Conclusion

These 4 market forces are all bearing down on patients and physicians, creating barriers to access and affordability of treatments. **Part 2 of this series** will explore the impact of these forces on patient care and implications for the pharmaceutical industry in supporting patient access to treatments.



1. Ortaliza J, McGough M, Cox C, Pestaina K, Rudowitz R, Burns A. How Will the One Big Beautiful Bill Act Affect the ACA, Medicaid, and the Uninsured Rate? KFF. June 18, 2025. Accessed December 9, 2025. <https://www.kff.org/affordable-care-act/how-will-the-2025-budget-reconciliation-affect-the-aca-medicaid-and-the-uninsured-rate/> 2. Burns A, Ortaliza J, Lo J, Rae M, Cox C. How Will the 2025 Reconciliation Law Affect the Uninsured Rate in Each State. KFF. August 20, 2025. Accessed January 8, 2026. <https://www.kff.org/uninsured/how-will-the-2025-reconciliation-law-affect-the-uninsured-rate-in-each-state> 3. Cubanski J, Damico A. Key Facts About Medicare Part D Enrollment, Premiums, and Cost Sharing in 2025. KFF. July 16, 2025. Accessed December 9, 2025. <https://www.kff.org/medicare/key-facts-about-medicare-part-d-enrollment-premiums-and-cost-sharing-in-2025/> 4. 2025 Employer Health Benefits Survey. KFF. October 22, 2025. Accessed December 9, 2025. <https://www.kff.org/health-costs/2025-employer-health-benefits-survey/#55d346a7-5bff-4d99-840c-a793b6a03320> 5. Prescription Drug Spending, Pricing Trends, and Premiums in Private Health Insurance Plans. ASPE/HHS. November 2024. Accessed December 9, 2025. <https://aspe.hhs.gov/sites/default/files/documents/2380bb90071b49b6a09ee61d0f79d978/nsa-drug-pricing-rtc.pdf> 6. Joyce G, Blaylock B, Chen J, Van Nuys K. Medicare Part D plans greatly increased utilization restrictions on prescription drugs, 2011-20. *Health Aff (Millwood)*. 2024;43(3):391-397. doi:10.1377/hlthaff.2023.00999

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