

# MEDICARE PART D

Imposing price controls (in the form of government-mandated rebates) on Medicare Part D threatens to destabilize a successful program that is providing unprecedented access and cost savings on medicines to over 29 million Medicare beneficiaries.

## MEDICARE PART D IS WORKING:

- **Seniors like Medicare Part D.** Enrollees are overwhelmingly satisfied with their coverage: a recent *Medicare Today* survey reported an 84% satisfaction rate.
- **Seniors are saving money.** Average beneficiary Part D premiums in 2011 are 46% below original projections. The average monthly beneficiary premium for Part D coverage will be \$30 in 2012, far below the \$56 forecast originally.
- **The government is saving money.** Part D is costing 41% less than initially projected. And, a recent JAMA study found that improved access and adherence to medicines through Part D saves the government about \$1,200 per year in hospital, nursing home and other costs for each senior who previously had limited or no coverage for prescription drugs. Experts have said this equals roughly \$12 billion per year in savings across Medicare.

## **IMPOSING PRICE CONTROLS/REBATES COULD HAVE SOME UNINTENDED CONSEQUENCES:**

- A new Battelle report estimates that a decrease in industry revenue of \$10 billion to \$20 billion – the same magnitude as some of the proposed price control policies – would cause 130,000 to 260,000 job losses across the U.S. economy.
- Medicaid-style rebates risk raising costs for seniors and other consumers; a former CBO director suggests premiums in Part D would increase by 20-40% if current proposals were enacted.
- New pharmaceutical research and development could be sacrificed due to the adverse impact on the industry.



**WEWORKFORHEALTH**

[weworkforhealth.org](http://weworkforhealth.org)