

Kathleen Martin is an attorney with O'Donnell, Weiss & Mattei, P.C., and a newspaper columnist for The Mercury, which gave permission for this article to be reprinted.

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Medicare Beneficiaries saved on medical costs since 2010

The Centers for Medicare and Medicaid Services (CMS) have released new information that shows that over 10 million Medicare beneficiaries continue to save on prescription drugs and recommended preventative services as a result of the Affordable Care Act. The savings are reported to total more than \$20 billion. ([http://stateofreform.com/news/federal/cms/2016/02/over-10m-medicare-beneficiaries-have-saved-over-\\$20b-on-prescription-drugs](http://stateofreform.com/news/federal/cms/2016/02/over-10m-medicare-beneficiaries-have-saved-over-$20b-on-prescription-drugs)).

Some may recall that Medicare did not pay for prescription drugs, other than in an inpatient hospital setting, until January, 2006. However, once the Part D program became established, there was much dissatisfaction with the coverage gap or “donut hole” whereby beneficiaries are required to pay for their entire cost of prescription drug coverage through the coverage gap until they reached the catastrophic coverage level. The Affordable Care Act, among other things, makes Medicare prescription coverage more affordable by gradually closing the coverage gap. Complete closure is expected by 2020. In the meantime, in 2010, anyone who reached the coverage gap received a \$250 rebate. In 2011, those in the donut hole began receiving discounts and savings. Now in 2016, Medicare Part D beneficiaries will receive discounts and savings of 55 percent on the cost of brand name drugs and 42 percent on the cost of generic drugs. In total, nearly 10.7 million Medicare beneficiaries have received discounts of over \$20.8 billion on prescription drugs. This is an average of \$1,945 per beneficiary. As the coverage gap closes, the benefits will increase.

Another area of cost savings is the ability to take advantage of some preventative services with no co-pays or co-insurance costs. The purpose is to remove barriers to important services such as an annual wellness visit and certain screenings. More people are taking advantage of recommended preventative services with no co-insurance each year. This helps Americans take charge of their own health and assists their health care providers in better preventing illness and monitor health conditions.

This is part of the CMS administration’s broader strategy to improve the health care system by paying providers for what works, unlocking health care data, and finding new ways to coordinate and integrate care to improve quality. Andy Slavitt, Acting Administrator for CMS, is quoted as saying “Medicare consumers are now more engaged and empowered in their own health thanks to the Affordable Care Act. Millions are now able to access more affordable prescription medicine for their chronic conditions and millions more are staying healthier by accessing preventative services, especially vital for people living with disabilities or growing older.”