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Report on facts about Medicare Part D

Medicare beneficiaries have had access to Medicare Part D for 10 years now, as Part D joined Medicare Parts A, B and C in 2006. Prior to that, there was no prescription drug benefit for Medicare beneficiaries other than during a hospital stay (Medicare Part A), some medications administered in the doctor's offices (Part B) or for some drugs under the hospice benefit. Although there have been many complaints about the perceived inadequacy of this benefit (particularly the coverage gap or donut hole), overall it has significantly aided many Medicare beneficiaries with being able to afford their prescription medications. The Kaiser Family Foundation (KFF) has recently published "10 Essential Facts about Medicare and Prescription Drug Spending." (<http://kff.org/infographic/10-essential-facts-about-medicare-and-prescription-drug-spending/>).

The Kaiser Family Foundation acknowledges that prescription drugs play an important role in healthcare for 57 million seniors and persons with disabilities. The Medicare Boards of Trustees predict that the per capita spending will increase even more in the next decade as more high-priced specialty drugs become available. Nevertheless, some beneficiaries can still face substantial out-of-pocket costs, especially if the beneficiary takes multiple high-cost brand-name drugs or specialty drugs.

The KFF report lists the following facts in part:

- Medicare accounts for a growing share of the nation's prescription drug spending: 29% in 2014 as compared to 18% in 2006;
- Prescription drugs accounted for \$97 billion in Medicare spending in 2014, nearly 16% of all Medicare spending in that year;
- Medicare Part D prescription drug spending—both total and per capita—is projected to grow more rapidly in the next decade than it did in the previous decade;
- Part D spending has increased in recent years, in part due to the introduction of new, costly breakthrough treatments for Hepatitis C;
- Medicare per beneficiary spending is projected to grow more rapidly for the Part D prescription drug benefit than for other Medicare-covered services over the next decade;
- Prescription drugs accounted for nearly \$1 in every \$5 that Medicare beneficiaries spend out-of-pocket on health care services in 2011, not including premiums;
- The expected increase in Part D spending will mean hundreds of dollars more in higher annual premiums and deductibles for beneficiaries over the coming decade;
- As a result of the Affordable Care Act (ACA or Obama Care), Medicare beneficiaries are now paying less than the full cost of their drugs when they reach the coverage gap (aka "the donut hole") and will pay only 25% for both brand-name and generic drugs.

High (and rising) drug costs are a concern for the public, and many proposals offering ways to reduce costs for all beneficiaries enjoy broad support. The actual report has many charts and graphs which help explain the essential facts in the report. Keeping ourselves informed and supporting proposals to reduce costs are important for all of us.