

ISSUES THREATENING

MEDICARE PART D

THE DONUT-HOLE CHANGE

The recently passed Bipartisan Budget Act took steps to close the donut-hole a year early, but in doing so, altered key aspects of the program that make Medicare Part D successful.

This change provided little to no benefit for patients and actually shrinks the amount an insurance plan must pay on covered drugs to only 5%, leaving patients to pay 5 times more than their insurance plan for prescriptions.

Additionally, this change alleviates insurers from covering a significant portion of drug costs, decreasing insurance plans' liability. This could undermine the competitive marketplace structure of the Part D program that is vital to keeping prescription drug costs low.

THE OUT-OF-POCKET CLIFF



After beneficiaries spend a set amount on prescriptions they **enter the catastrophic coverage phase of Medicare Part D.**



The amount a patient must pay before entering the catastrophic phase is known as the **catastrophic threshold and it increases every year.**



The ACA slowed the growth rate of the catastrophic threshold until 2020.

In 2020, the growth rate for the catastrophic threshold will skyrocket back to the pre-ACA projection, increasing the threshold by \$1,500. This jump in costs is known as the out-of-pocket cliff.

Due to this cliff, beneficiaries hoping to enter the catastrophic coverage phase will face a substantial increase in out-of-pocket costs.

Increasing costs for already financially burdened patients could force them to abandon effective treatment plans because they are unable to take on the additional costs.

WHY THIS MATTERS?

Medicare Part D is a vitally important program that helps over 42 million seniors and individuals with disabilities gain access to a broad range of life-saving medications. The program's competitive structure works to keep costs low for both beneficiaries and taxpayers. However, misguided changes like those outlined above risk decreasing access to medications, which could lead to disrupted treatment plans, worsened health outcomes and ultimately, higher overall Medicare costs.

CONGRESS MUST ACT NOW TO FIX THESE ISSUES AND PROTECT PATIENT ACCESS TO AFFORDABLE PRESCRIPTION DRUGS THROUGH MEDICARE PART D!