

Status report on Part D, with focus on beneficiaries with high drug spending

ISSUE: Medicare’s outpatient prescription drug benefit is about to enter its seventh year of operation. In this session, staff will provide information on beneficiaries’ access to medications and program costs, and discuss generic substitution and the role of the low-income subsidy (LIS).

KEY POINTS: We will review information about the numbers of stand-alone and Medicare Advantage prescription drug plans participating in Part D for 2012 and the types of benefit designs they offer, the number of plans with premiums at or below the regional thresholds for low-income premium subsidies, and trends in the aggregate spending levels for Part D. We will also revisit the findings from our analysis of beneficiaries with high drug spending and discuss how low-income subsidy may be restructured to encourage use of generic drugs to reduce program spending without affected access to needed medications.

ACTION: Commissioners should provide comments on the scope and substance of this analysis.

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