

Payment and plan incentives in Part D

ISSUE: Today, about half of basic Part D benefits are paid by Medicare on the basis of retrospective, cost-based reimbursement rather than prospective, risk-based payments and enrollee premiums. This information will be included in the 2018 March report to the Congress.

KEY POINTS: This session will examine factors that have expanded catastrophic spending in Medicare Part D. We will also describe policy approaches that could better align plan incentives to manage spending for Part D enrollees who reach the catastrophic phase of the benefit.

ACTION: Commissioners will provide feedback on the content and discuss any additional work on these issues.