

## **Restructuring Medicare Part D: considerations for plans serving low-income beneficiaries**

**ISSUE:** We take a closer look at Part D plans that primarily serve beneficiaries who receive the low-income subsidy (LIS).

**KEY POINTS:** Part D plans that primarily serve the LIS population face distinct challenges because these beneficiaries have higher costs and it is more difficult for plans to manage their drug utilization. Part D reforms that require these plans to bear more risk need to ensure that payments are properly risk adjusted and could require LIS beneficiaries to pay somewhat higher cost sharing when they use drugs on non-preferred formulary tiers.

**ACTION:** Commissioners will discuss the material and implications for future analytic work.