

Sharing risk in Medicare Part D

ISSUE: Part D uses competing private plans to deliver outpatient prescription drug benefits. Plan sponsors bear some insurance risk for the benefit spending of their enrollees through capitated payments. However, Part D includes provisions in which the Medicare program bears a substantial amount of risk as well.

KEY POINTS: This session will continue the Commission's look at how Medicare shares risk with Part D plan sponsors that it began in October 2014. It will focus primarily on Medicare's payments for individual reinsurance and the operation of Part D's risk corridors.

ACTION: Commissioners will discuss the direction of any additional work on these issues.

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