

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 focuses on how Medicare shares risk with Part D plan sponsors. It describes the mechanisms for sharing risk and data on associated trends in Part D spending and performance.

ACTION: Commissioners will provide comments on the material and discuss the direction of any additional work on these issues.

STAFF CONTACT: Rachel Schmidt and Shinobu Suzuki (202-220-3700).