Part D: A Medicare Success Story

Medicare Part D is the rare government program that has repeatedly come in under budget.

- Part D is on a track to cost $348 billion—or 45 percent—less than initial 10-year projections. (Source: Figures from the Congressional Budget Office)
- CBO has reduced its 10-year Part D cost projection by over $100 billion in each of the last three years. (Source: Figures from the Congressional Budget Office)

Medicare Part D is helping control government costs by reducing spending in Parts A and B.

- The implementation of Part D was associated with a $1,200 average reduction in nondrug medical spending for Medicare beneficiaries with limited prior drug coverage in each of the first two years of the program. (Source: 2011 Journal of the American Medical Association Study)
- Improved medication adherence connected with the expansion of drug coverage under Part D led to about a $2.6 billion reduction in medical expenditures annually among beneficiaries diagnosed with congestive heart failure who did not have prior comprehensive drug coverage. (Source: 2013 American Journal of Managed Care Study)

Medicare Part D enjoys high satisfaction rates among beneficiaries and is increasing access to needed medicines.

- Ninety-four percent of seniors enrolled in Medicare Part D are satisfied with their coverage and 95 percent believe that the level of coverage meets their needs. (Source: Medicare Payment Advisory Commission, 2013)
- The average monthly Part D premium will be about $31 in 2014, less than half the original projection. According to CMS, Part D premiums have remained “stable” for the past 4 years. (Source: Centers for Medicare & Medicaid Services, 2013 and Medicare Trustees Report, 2004)
- Nearly 11 million seniors gained comprehensive prescription drug coverage as a result of Part D. Currently, over 40 million people with Medicare have comprehensive prescription drug coverage through Part D or another source. (Source: 2011 American Journal of Managed Care Study, and Medicare Payment Advisory Commission, 2013)

References:
Medicare Open Enrollment

Fast Facts

WHAT: Medicare open enrollment is the annual period during which you can review, compare and select your healthcare plan choices, including your Medicare Part D prescription drug plan.

WHEN: Open enrollment for 2014 starts on Tuesday, October 15 and closes on Saturday, December 7.

WHO: Medicare Part D plans are available to those eligible for Medicare.
- If you turn 65 this year, you can enroll during the three months before the month you turn 65, your birthday month and the three months after.
- If you are under 65 and have been eligible for Social Security disability payments for two years, have permanent kidney failure, or meet a number of other conditions, you may be eligible for Medicare.
- Some people with limited resources and income may qualify for the Extra Help program to pay for the costs related to a Medicare prescription drug plan. If you qualify for Extra Help, you can enroll anytime.

WHY: This time period is an opportunity for you to evaluate and update your current prescription drug plan based on your cost and individual health needs, or enroll for the first time.
- New healthcare plans become available each year that could offer better coverage or save you money.

HOW: Call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit Medicare.gov.

Tips & Resources

- Ask a family member, friend or caregiver to evaluate your options with you and help decide which prescription drug plan best fits your needs. Here are a few things to consider:
  - Does the plan cover the medications you currently take or expect to take?
  - What are your expected out-of-pocket medication costs for 2014 under different plans?
  - What pharmacies can you use to get your medications under different plans?
  - How is a plan performing based on its Star Rating?

- Check out the Medicare Plan Finder at Medicare.gov/find-a-plan, which provides details on the prescription drug plans that are available in your area.

- Visit the National Council on Aging’s “My Medicare Matters” website (www.mymedicarematters.org) and click on “Prescription Drugs” for resources on how to choose or switch Medicare Part D plans.

- Additional information can be found on the California Department of Health Services (http://www.dhcs.ca.gov/services/medi-cal/Pages/MedicarePartD.aspx) website.