



For Immediate Release
August 4, 2011

Contact: Alison Dye
202-452-8700
adye@hlc.org

Premiums for Medicare Part D Prescription Drug Coverage Will Cost Less, on Average, in 2012

New Figures Underscore Success of Part D Competitive Marketplace and Investing Seniors with Buying Power, HLC President Says

WASHINGTON – Today’s announcement by the Department of Health and Human Services that the average monthly premium for Medicare Part D prescription drug coverage will decline in 2012 is further validation that the Part D consumer choice model continues to work even better than anticipated, the president of the Healthcare Leadership Council said today.

HHS announced today that the cost of the average Medicare prescription drug plan in 2012 will be about \$30, approximately one dollar lower than 2011 averages.

“These new figures underscore two important points. First, the marketplace created by the Medicare Part D structure continues to be vibrant and highly competitive. To succeed, Part D plans have to keep premiums affordable and provide value, and seniors are benefiting,” said HLC president Mary R. Grealy. “Also, in order to maintain a robust market, seniors have to be smart shoppers. We’re seeing that premiums are staying affordable because beneficiaries know how to navigate the system and can always switch to a better plan.”

Ms. Grealy pointed out that Medicare premiums are now 44 percent lower than original government projections when the program was created.

“Medicare Part D is a prime example of conventional wisdom not always being correct,” she said. “The experts said the program would be unaffordable for seniors. They said plans wouldn’t want to participate in the program. Then when we had strong plan participation, the experts said seniors would be confused by too many choices. At every juncture, the conventional wisdom was wrong, as exemplified by surveys showing beneficiary satisfaction with the program at consistently high levels.”

HHS also announced that nearly 900,000 Medicare beneficiaries whose prescription drug purchases place them in the so-called “donut hole” have benefited from the new 50 percent discount on covered name brand drugs.

“It’s a great benefit for these seniors with high medication costs that the nation’s pharmaceutical companies are providing this considerable discount,” Ms. Grealy said.



The Healthcare Leadership Council is a coalition of chief executives from companies and organizations representing all sectors of American healthcare.

For more information about HLC, visit www.hlc.org. Also, find us on Twitter at www.twitter.com/healthinfocus and read HLC’s Prognosis Blog at www.prognosisblog.com.