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Medicare Trustees Report Reaffirms Continued Effectiveness of Medicare Part D Prescription Drug Program

WASHINGTON – Even with additional spending to close the so-called “donut hole” in the Medicare Part D prescription drug program, the Medicare trustees, in their annual report released today, reduced their estimates of future Part D spending from what they had predicted in last year’s report. According to a co-chair of the Medicare Today coalition, this underscores the effectiveness of a program that is bettering the lives of millions of senior citizens.

“A great program for Medicare beneficiaries is still improving,” said Medicare Today co-chair Mary R. Grealy, president of the Healthcare Leadership Council. She said beneficiaries who fall into the Part D coverage gap will be helped next year when pharmaceutical companies provide a 50 percent discount on brand-name drugs dispensed to enrollees in the gap. The new health reform law will completely close that gap by 2020.

Ms. Grealy said the Medicare trustees underscores the efficacy of the Medicare Part D model, in which beneficiaries can choose from several private plans to provide their pharmaceutical coverage. Efficient operations by pharmaceutical benefit management companies and increased use of generic drugs have helped reduce the trustees’ estimates of Part D spending.

“The Medicare trustees are telling us on a system-wide basis what individual Medicare beneficiaries are experiencing at their own kitchen tables,” said Ms. Grealy. “The program continues to be more cost-efficient than originally projected, for both patients and taxpayers.”

The average monthly premium for Medicare drug coverage in 2010 is \$30, only two dollars higher than the 2009 average. Original government estimates projected that monthly premiums would be \$50 this year.

Ms. Grealy added, “We already knew that Part D is immensely popular, with surveys showing satisfaction ratings approaching 90 percent. This trustees report tells us that the program is meeting the vitally important dual goals of better societal health and a more cost-efficient way of delivering Medicare benefits.”