



Press Release

CMS Puts Part D on Life Support

PAULINA ENCK | AUGUST 7, 2024

The Centers for Medicare and Medicaid Services (CMS) recently announced a new “Premium Stabilization Demonstration” for Medicare Part D plans intended to offset the higher premium costs expected to arise from the Inflation Reduction Act’s (IRA) Part D redesign. In a new insight, Health Care Policy Analyst John Walker walks through the Part D redesign and CMS’ stabilization plan and considers why the proposed changes should raise significant concern.

Key points:

- *CMS’ three-year stabilization plan, which comes just a few months before the presidential election, would attempt to stave off a significant Part D premium by funneling \$7.2 billion to insurers.*
- *Although the demonstration is marketed as “voluntary,” any insurer refusing participation would not be able to offer competitive prices.*
- *CMS will allocate this additional 382.3-percent increase in subsidies (compared to last year) without congressional approval to cover for the fallout of the IRA.*

[Read the analysis](#)