



The Daily Dish

The \$11 Question

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You have to hand it to those crafty Bidenites. It's starting to look like this whole Build Back Better Act was just a diversionary tactic to cover the fact that the monthly Medicare Part B premium in 2022 will increase by \$21.60, the largest dollar increase in its history. Even better, roughly \$11 of the premium increase is for a "contingency reserve" to defray the costs of the new Alzheimer's drug Aduhelm if (not when) Medicare decides to cover it and to not give it back if it does not. Chris Holt's [Weekly Checkup](#) tells the tale.

My question is where did the \$11 come from? The last time I checked (well, actually, Jackson Hammond checked for me), Medicare had [63.3 million](#) beneficiaries. At \$11 a month, each is out \$132 annually, with Medicare scooping up \$8.4 billion in "contingency" funding. Aduhelm costs \$56,000 per patient per year, so that \$8.4 billion would cover roughly 150,000 beneficiaries.

Is that what the Centers for Medicare and Medicaid Services (CMS) expects? According to [DBioPharmaDive](#) sales were \$300,000 (roughly 6 patients) in the first quarter. Hmm. It also notes, however, that "The consensus among analysts is that sales of the drug will reach around \$1 billion next year, and \$9 billion at their peak — though some believe such figures are far too high." If these figures are accurate (and not "far too high"), then CMS is planning *now* for the *peak* take-up of the drug among seniors. You tell me if that makes sense.

Alternatively, perhaps CMS is envisioning that it will cover more than the costs of the drug. Effective use of Aduhelm requires expensive screening. There has to be a diagnosis of cognitive impairment that triggers a PET scan that identifies the patient as a candidate for treatment. During treatment, there are ongoing MRIs as part of the therapy. As an all-in proposition, the episode of care will be much, much more expensive. Perhaps CMS is planning to cover the whole boatload for a smaller number of beneficiaries.