

Press Release



Comparing the Impacts of the Proposed Medicare Part D Reforms

ANDREW EVANS | APRIL 14, 2020

While the coronavirus pandemic has overtaken other policy priorities, prescription drug pricing reform will likely return to the agenda of Congress in the future. Over the past year, Congress has put forward several proposals to lower prescription drug costs, including numerous proposals to reform the Medicare Part D benefit structure. In a new analysis, AAF's Director of Human Welfare Policy Tara O'Neill Hayes calculates how these proposals would impact the stakeholders in Medicare Part D — beneficiaries, insurers, drug manufacturers, and the federal government.

Her central points:

- All of the pending proposals seek to put downward pressure on prescription drug prices by ensuring the manufacturer discount increases along with a drug's price and by increasing insurers' liability and thus their incentive to control costs;
- Each plan also caps beneficiary spending and significantly reduces the government's reinsurance liability, providing greater financial protection to both beneficiaries and taxpayers;
- Despite Speaker Pelosi's bill, H.R. 3, setting the lowest out-of-pocket cap and requiring drug manufacturers to pay the greatest share of overall costs, it is expected to reduce beneficiaries' out-of-pocket costs and the federal government's reinsurance costs the least, relative to the other congressional proposals; and
- House Republicans' bill, H.R. 19, is expected to provide the greatest out-of-pocket savings to beneficiaries and will provide nearly the same level of savings to the federal government as the revised Senate Finance Committee legislation.

[Read the Analysis](#)