

Press Release



Examining the Effects of Recent and Proposed Reforms to Medicare Part D

ANDREW EVANS | FEBRUARY 20, 2018

Congress recently passed changes to Medicare Part D as part of the Bipartisan Budget Act (BBA) of 2018, and President Trump proposed more changes in his budget. AAF's Tara O'Neill Hayes analyzes the interaction of these changes and finds that they could have big implications for insurer liabilities and the strength of the program. In particular, she finds:

- The BBA reduces insurer liability by an estimated \$3 billion;
- If the president's reforms are implemented on top of the BBA's changes, insurers would see their liability drop by a further \$14 billion; but
- If the president's reforms are implemented without the BBA's changes, insurers would see their liability rise by \$5 billion; and

Part D's success has depended on insurers' assuming risk, and while the president's proposed reforms are needed, in combination with the BBA's changes, the president's reforms could undermine the program's competitive framework.

[Click here](#) to read the research.