

Press Release



How Raising the Medicare Part D Catastrophic Threshold Impacts Different Stakeholders

ANDREW EVANS | MAY 11, 2018

AAF's Deputy Director of Health Care Policy Tara O'Neill Hayes breaks down how changes to the catastrophic coverage threshold in Medicare Part D impact different stakeholders. The Affordable Care Act temporarily slowed the threshold's growth rate, but that temporary reduction will expire in 2020, and the resulting sharp increase in the threshold will create winners and losers.

Highlights from the paper include:

- The federal government has faced substantial cost increases because of the lower threshold, and raising it should slow the rate at which those costs increase;
- Beneficiaries with high costs have seen lower out-of-pocket costs, but others have faced higher premiums;
- The lower threshold has saved drug manufacturers money, and raising it would likely cost them more; and
- The impact to insurers has been less straightforward and continues to evolve.

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

[Click here](#) to read an abbreviated version at Economics21.