

Press Release



What Congress Needs to Consider When Reforming Medicare Part D

ANDREW EVANS | JULY 1, 2019

AAF has [proposed](#) realigning incentives in the Medicare Part D program by shifting when drug manufacturers pay rebates, making insurers pay more in the catastrophic phase of coverage, and capping beneficiaries' costs. In this new paper, AAF's Deputy Director of Health Care Policy Tara O'Neill Hayes considers questions about the proposal and the impact of alternative reform structures.

An excerpt:

If pharmaceutical discounts are required in any phase beyond the deductible where the beneficiary would otherwise be expected to cover a portion of the costs, the share of costs covered by the drug manufacturers could be used to reduce beneficiary cost-sharing in that phase. Doing so would allow manufacturer and insurer liability to remain constant through each of the benefit phases while providing beneficiaries additional relief. This additional relief would, most notably, benefit patients with lower annual spending who would not benefit from the imposition of an out-of-pocket cap.

[Read the analysis.](#)