Affordable Access to Prescription Drugs in Medicare Part D

The Medicare Part D program is a successful public-private partnership that provides individuals with choices for prescription coverage while maintaining stable premiums. Blue Cross and Blue Shield companies collectively serve more than 4 million Medicare beneficiaries – 2.5 million in Medicare Advantage/Part D plans and 1.5 million in Medicare Part D stand-alone options.

KEY FACTS

- **46 MILLION PEOPLE**—77% of Medicare beneficiaries have Part D coverage
- The average basic monthly Part D premium in 2018 is **$33.59** – expected to decrease to **$32.50** in 2019
- In 2018, Medicare beneficiaries can choose from between **19 AND 26 Part D Plans**

BCBSA RECOMMENDS

BCBSA is committed to working with policymakers to continue the success of Part D while improving beneficiaries’ access to medications at affordable prices. We recommend policies in four key areas to achieve this goal:

1. **ADDRESS HIGH DRUG PRICES**
   - In order to make prescription drugs more affordable, it is critical to increase competition in the drug market, improve the ability of health plans to negotiate lower prices with drug manufacturers and create incentives to lower manufacturer list prices.
   - Congress should pass the CREATES Act (S. 974/H.R. 2212) to address improper drug manufacturer practices that delay consumer access to lower-cost generic drugs; the FDA should finalize guidance on biosimilars so patients benefit from a robust biosimilar market and HHS should require transparency on drug prices in direct-to-consumer advertising.

2. **REDUCE PREMIUMS AND OUT-OF-POCKET SPENDING**
   - Health plans and their pharmacy benefit manager (PBM) partners currently negotiate with manufacturers on behalf of consumers and pass along the resulting rebates to lower Part D drug prices and premiums for all beneficiaries.
   - BCBSA opposes any federal proposals that would curtail the ability of health plans and PBMs to negotiate lower list prices with drug manufacturers and use rebates to lower beneficiary premiums. Instead, policies should focus on truly lowering drug costs, which in turn will make healthcare more affordable.

3. **INCREASE FLEXIBILITY IN PLAN DESIGN**
   - Benefit design flexibility in Part D is critical to providing affordable coverage choices to Medicare beneficiaries.
   - BCBSA supports the removal of the “protected class” status in Part D for certain medications to allow for better drug price negotiations and increased use of tools to help patients get the right medicines at the most affordable prices.

4. **MAINTAIN COMPETITION**
   - Medicare beneficiaries are best served by a competitive Part D drug coverage market coupled with CMS oversight. At the 10-year anniversary of the Part D program, nearly 9 out of 10 beneficiaries are highly satisfied with their coverage.
   - Policymakers should avoid proposals that could alter the competitive nature of the Part D program and jeopardize plan choices for beneficiaries.