



## Part D: A Medicare Success Story

### Medicare Part D is the rare government program that has repeatedly come in under budget.

- Total Part D costs are \$349 billion—or 45 percent—less than the initial 2004-2013 projection period. (Source: *Figures from the Congressional Budget Office*)<sup>1</sup>
- In 2015, Medicare Part D spending was just 11.8 percent of total Medicare spending. (Source: *Congressional Budget Office*)<sup>2</sup>

### Medicare Part D is helping control government costs by reducing spending in Parts A and B.

- The implementation of Part D was associated with a \$1,200 average reduction in nondrug medical spending for Medicare beneficiaries with limited prior drug coverage in each of the first two years of the program. (Source: *2011 Journal of the American Medical Association Study*)<sup>3</sup>
- Improved medication adherence connected with the expansion of drug coverage under Part D led to about a \$2.6 billion reduction in medical expenditures annually among beneficiaries diagnosed with congestive heart failure who did not have prior comprehensive drug coverage. Over the next 10 years, further improvement in adherence among Part D enrollees with congestive heart failure could yield \$22.4 billion in federal savings. (Source: *2013 American Journal of Managed Care Study*)<sup>4</sup>

### Medicare Part D enjoys high satisfaction rates among beneficiaries and is increasing access to needed medicines.

- According to recent studies, an average of 90 percent of seniors enrolled in Medicare Part D are satisfied with their coverage (Sources: *Medicare Payment Advisory Commission, 2013, and Medicare Today Beneficiary Satisfaction Survey, 2016*)<sup>5</sup>
- Ninety-five percent of seniors enrolled in Medicare Part D believe that the level of coverage they receive meets their needs. (Source: *Medicare Payment Advisory Commission, 2013*)<sup>6</sup>
- The average monthly Part D premium is estimated to be about \$34 in 2017. Monthly premiums have remained relatively stable since 2011 and are substantially lower than original projections for 2017. (Source: *Centers for Medicare & Medicaid Services, 2016 and Medicare Trustees Report, 2008*)<sup>7</sup>
- Nearly 11 million seniors gained comprehensive prescription drug coverage as a result of Part D in the first year of the program. In 2015, about 39 million Medicare beneficiaries had comprehensive prescription drug coverage through Part D. (Source: *2011 American Journal of Managed Care Study, and Medicare Payment Advisory Commission, 2016*)<sup>8</sup>

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#### References:

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3. J.M. McWilliams et al. "Implementation of Medicare Part D and Nondrug Medical Spending for Elderly Adults with Limited Prior Drug Coverage," *Journal of the American Medical Association*, July 2011.
4. Timothy M. Dall, MS, et al. "The Economic Impact of Medicare Part D on Congestive Heart Failure," *American Journal of Managed Care*, May 2013.
5. Medicare Payment Advisory Commission, "Report to the Congress, Medicare Payment Policy," March 2013, p. 344. [www.medpac.gov/documents/Mar13\\_entirereport.pdf](http://www.medpac.gov/documents/Mar13_entirereport.pdf); and Medicare Today, National Tracking Poll, July 2016. Available at <https://medicaretoday.org/resources/senior-satisfaction-survey>.
6. Medicare Payment Advisory Commission, "Report to the Congress, Medicare Payment Policy," March 2013, p. 344. [www.medpac.gov/documents/Mar13\\_entirereport.pdf](http://www.medpac.gov/documents/Mar13_entirereport.pdf)
7. CMS, "Medicare projects relatively stable average prescription drug premiums in 2017," 29 July 2016; and 2008 Medicare Trustees Report, p. 178
8. C.C. Afendulis et al. "State-Level Impacts of Medicare Part D," *The American Journal of Managed Care*, October 2011; and Medicare Payment Advisory Commission, "Report to the Congress: Medicare Payment Policy," March 2016, p. 369.