Part D: A Medicare Success Story

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

- The Medicare Part D program costs came in nearly $350 billion less than the Congressional Budget Office’s initial 10-year estimate. (Source: Figures from the Congressional Budget Office) ¹

- In 2017, Medicare Part D spending was just 15 percent of total Medicare spending (Source: Biotechnology Innovation Workforce) ²

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

- Savings in out-of-pocket costs have led to an increase in prescription use by beneficiaries. Studies have shown this has benefitted the entire Medicare system by leading to a decrease in hospitalizations and a decrease in spending on hospitalizations. (Source: Biotechnology Innovation Organization) ³

- Part D remains one of the most successful cost-control experiments in Medicare with spending remaining consistently stable over the past decade, even dropping in the past two years. (Source: CMS.gov) ⁴

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

- According to recent studies, an average of 87 percent of seniors enrolled in Medicare Part D are satisfied with their coverage (Sources: Medicare Today Beneficiary Satisfaction Survey, 2019) ⁵

- A majority of seniors believe their monthly premiums (85 percent) and co-pays (86 percent) are affordable. (Source: Health Leadership Council) ⁶

- In 2019, the average monthly premium for a prescription drug plan was estimated to be $39.63—a 4 percent drop from 2018. Monthly premiums have remained relatively stable since 2011 and have consistently come below projected costs. (Source: Kaiser Family Foundation) ⁷

- Nearly 11 million seniors gained comprehensive prescription drug coverage as a result of Part D in the first year of the program. In 2018, about 43 million Medicare beneficiaries had comprehensive prescription drug coverage through Part D. (Source: Kaiser Family Foundation) ⁸

References:
1 See CBO Medicare Baselines available at www.cbo.gov
3 Ibid.
7 Kaiser Family Foundation, “An Overview of the Medicare Part D Prescription Drug Benefit.” October 2018
8 Ibid.