



# Protect Medicare Advantage Beneficiaries from Rising Costs; Urge HHS/OIG to Withdraw Proposed Rule Eliminating Drug Rebates

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**THE ISSUE:** Better Medicare Alliance (BMA) urges the Administration to protect Medicare Advantage beneficiaries from rise in premiums, out-of-pocket costs, and reduction in supplemental benefits due to proposal to eliminate rebates for drugs in Part D.

Last month, the Department of Health & Human Services (HHS) and Office of the Inspector General (OIG) issued a proposed rule that would prohibit the use of drug manufacturer rebates in the Part D program beginning January 1, 2020. If finalized, the proposed rule will increase costs for Medicare Advantage beneficiaries, exposing them to higher premiums, higher out-of-pocket costs, and reductions in supplemental benefits like dental, vision, and hearing coverage.

While the proposed rule is intended to provide relief for beneficiaries who take high-cost medications, it is expected to increase costs for millions of older adults and individuals with disabilities in Medicare Advantage-Prescription Drug (MA-PD) plans. In its own assessment, the Centers for Medicare & Medicaid Services (CMS) estimated both an increase in cost to beneficiaries and a potential significant increase in government spending.



## THE IMPACT:

- The rule will result in an estimated 19% **increase in premiums** for the first year and 25% increase over the next ten years for those who pay premiums in Part D plans. The impact is estimated to be an average premium increase of \$29.00 per month for 8.6 million MA-PD beneficiaries who pay premiums.
- For the 4.2 million MA-PD enrollees in employer-sponsored retiree plans, this new rule could translate into **direct cost increases for beneficiaries in self-funded plans**.
- All 16.4 million individuals in MA-PD could be exposed to **higher out-of-pocket costs**, such as higher copays or coinsurance for visits to primary care providers or specialists.
- **Enrollees in MA-PD plans could be exposed to reduced supplemental benefits**, possibly limiting or eliminating benefits like dental, vision, and hearing coverage, as well as the new benefits to be targeted to those with chronic conditions.

## TAKE ACTION

Join BMA in signing the [attached letter](#) expressing these concerns about the proposed rule's impact to Medicare Advantage beneficiaries and urging HHS/OIG not to finalize this proposed rule **BY TUESDAY, APRIL 2**. Contact Lisa Hunter, Director of Government Affairs and Ally Engagement at [lhunter@bettermedicarealliance.org](mailto:lhunter@bettermedicarealliance.org)

### Key Links:

- [BMA Sign-On Letter on Rebate Rule](#)
- [BMA Issue Brief on Part D](#)
- [BMA Policy Alert on Rebate Rule](#)

# **Better Medicare Alliance is the leading coalition on Medicare Advantage.**

Our mission is to build a healthy future by advocating for a strong Medicare Advantage. As a community of experts, we're leading the way on health care through research, advocacy, and grassroots organization. Together, we're creating a path forward for innovative, modern health care.

For more information, please visit [www.bettermedicarealliance.org](http://www.bettermedicarealliance.org).

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