



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

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.

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