

Part D is a Failure We ALL Pay For

The Medicare Part D prescription drug program is a failure that all Americans pay for. While people who have Medicare are most obviously affected by the problems of the Part D program and pay about 25% of the high costs associated with the inefficient program, all tax-payers fund approximately 75% of the total cost. All Americans are responsible for funding a program that is commonly referred to as a disaster. Together, we can work to change Part D so that it is a REAL benefit for Medicare beneficiaries worthy of tax-payer funding and support.

Why is Part D a Failure?

The current Part D program does not build on the demonstrated successes of Medicare. Prescription drug insurance through Part D is only available through private insurance plans. There are dozens of plans in each state and each has different monthly premium costs and co-payment amounts and all cover different lists of medications. Medicare beneficiaries are divided up into dozens of private insurance plans and do not benefit from the bulk negotiating power that Medicare has with 42 million people enrolled.

In addition to not saving through negotiating discounted drug prices, Part D costs more due to the high costs of the private insurance industry. The administrative costs of Medicare are quite low at 2-3%, while the administrative costs for private insurance companies are between 10 and 20%. The decision to provide Part D benefits through private insurance plans significantly adds to the program's cost while Medicare beneficiaries report dissatisfaction with the private plans and favor a Medicare administered program.

The built in coverage gap, commonly referred to as the "doughnut hole," is a substantial source of costs for Medicare beneficiaries. In the coverage gap, people pay 100% of their drug costs and continue to pay their monthly insurance premiums. The insurance companies also still get the additional 75% government payment, funded by taxpayers, while not providing any service to the Medicare beneficiary during the doughnut hole period. *Insurance companies profit from regular, government subsidized payments while Medicare beneficiaries struggle to pay for full price drugs.*

How can Part D become a REAL Medicare Prescription Drug Benefit?

The CCHCC Medicare Task Force supports three major changes to the Part D program. The Task Force advocates that Part D should be administered by Medicare and use the power of 42 million enrollees to negotiate discounted drug prices. In addition, the "doughnut hole" coverage gap should be eliminated and continuous access to medications and predictable costs should be guaranteed.

What can I do to Take Action?

Congress created the Part D program and only Congress can fix it. Tell your representatives in Congress that you support changing Part D so that it is an efficient program that provides a meaningful prescription drug benefit to people with Medicare worthy of tax-payer support.

1. Add your name to the CCHCC Medicare Task Force's petition.
2. Write a letter to our Representative Tim Johnson and our Senators Dick Durbin and Barack Obama and ask them to do all they can to fix Part D.
3. Carry petitions and help gather more signatures. Contact CCHCC to learn how at 352-6533.
4. Join the Medicare Task Force. Attend our regular monthly meeting and help us continue to call on our representatives in Congress to fix Part D. Call CCHCC for more information.

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