

The Sad Truth About the Part D Disaster

The Doughnut Hole has got to GO!

The phrase "Doughnut Hole" describes the period when Medicare beneficiaries have to pay a monthly insurance premium for their Part D prescription drug coverage, but also have to pay 100% of the cost of the drugs they buy. In other words, Medicare beneficiaries are literally paying insurance companies for nothing!

Medicare beneficiaries live on fixed incomes; the Doughnut Hole dramatically increases costs and unpredictability in beneficiaries' budgets without any of the protection from debt that insurance is supposed to provide.

In passing the Part D legislation, Congress made sure that only the drug and insurance companies have a guaranteed benefit during the Doughnut Hole.

The Major Flaws of Part D

Rather than administering the program through Medicare, the current Part D program is only available through private insurance companies.

This design divides the negotiating power of Medicare beneficiaries across hundreds of plans. This results in higher drug prices, not to mention the high administrative costs associated with private insurance companies, which are passed on to Medicare beneficiaries.

The Center for Economic Policy Research in Washington DC found that a Medicare administered prescription drug plan with the authority to negotiate drug prices would result in cost savings significant enough to eliminate the Doughnut Hole and save the federal and state governments money.



Part D Myths

Myth #1: Choice

The one choice Medicare beneficiaries want - a Medicare administered plan - is not available.

Myth #2: Affordability

Many Medicare beneficiaries saw their prescription costs increase under Part D. Medicare must be able to negotiate discounts to make prescriptions truly affordable.

Myth #3: Security

Part D plans can change the drugs they cover or their prices, but Medicare beneficiaries are locked in to these private insurance plans. The Doughnut Hole offers no protection from debt and forces beneficiaries to pay monthly premiums as well as the full cost of their prescriptions.

Myth #4: Efficiency

The private plan structure wastes tens of billions of taxpayer dollars while allowing drug companies to continue charging Americans the highest drug prices in the world.

Myth #5: 100% Voluntary

6.3 million Medicare/Medicaid beneficiaries were forced to enroll in Part D as well as all Circuit Breaker and Senior Care members. Also, sizable financial penalties for non-participation force people to enroll.

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