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Health Care: News and Information is a service of the Healthcare Leadership Council (HLC) to help our readers stay fully informed about the latest health care issues as we work to advance a high-quality health care system.

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Medicare Rx Program to Continue Strong Performance in 2008

The highly popular Medicare prescription drug program is shaping up to have a very strong 2008. The Department of Health and Human Services has announced that more than 90 percent of Medicare beneficiaries in a stand-alone drug plan could choose to pay less next year.

- More than nine out of 10 of those beneficiaries will have as an option at least one drug plan with a lower premium than they pay this year.
- Some 17 insurers will serve Medicare beneficiaries in every state next year. Stand-alone plans offer everything from zero deductibles to enhanced benefits like lower deductibles and lower cost-sharing.
- Medicare Part D gives seniors an annual open-enrollment period. They can decide whether they like what they have or want to shop around for other options. Open enrollment will run from November 15 until December 31.

Medicare's fairly new addition, the Part D prescription drug benefit, continues to deliver value and consumer choice.

- Medicare beneficiaries in every state will enjoy access to at least one prescription drug plan whose premiums are below \$20 a month.
- The 2008 national average of basic Medicare drug premiums will be about \$25. That's around 40 percent lower than experts had originally estimated when the program was set up in 2003.
- HHS data show that the Medicare drug benefit is saving seniors \$1,200 a year, on average. Four out of five Medicare beneficiaries are satisfied with their current drug coverage.
- Options that cover generic drugs during the coverage gap run as low as \$28.70 a month. Seniors can easily find coverage for generics to bridge the so-called "doughnut hole." Beneficiaries in any state can get such a plan for less than \$50 a month.

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- Low-income seniors get help through the Medicare Low-Income Subsidy. They still have a

range of coverage options, and the poorest seniors pay no premiums or deductibles.

Medicare Advantage health plans will continue to offer drug coverage with premiums lower than stand-alone drug plan options.

- The average Medicare Advantage drug plan monthly premiums in 2007 have run \$7 less than stand-alone Medicare drug plans. Next year, they'll be \$11 lower, on average.
- More than 90 percent of those on Medicare will have access to a Medicare Advantage drug plan offering zero monthly premium and no deductible.

Medicare's Part D drug benefit will maintain its track record of consumer choice and competition. Its market-based design continues to pay off for seniors, taxpayers and providers. In 2008, seniors will enjoy lots of drug plan options to select from, premiums and deductibles that continue to be constrained by natural market forces, and even full-service options through the popular Medicare Advantage program. Congress must allow this program to continue without messing it up through government regulation and micromanagement.

The Healthcare Leadership Council, representing the innovators in each sector of the health care industry, is committed to advancing a market-based health care system that values innovation and provides affordable, high-quality care.

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