# Medicare Part D Then & Now

## What They Said Would Happen

### Cost
- Critics claimed Part D will cost too much.
  
  "The estimated cost for Medicare’s new prescription drug plan has gone from $395 billion to $724 billion, and the program hasn’t even started yet."
  
  *Denver Post editorial, 2005*

- Critics claimed beneficiary premiums would be too high and increase too fast.
  
  "In 2006, most seniors will pay an annual premium of $420 ([$35/month] for drug coverage. Within a decade that premium will increase to $816 ([$68/month])."
  
  *Families USA, 2005*

### Beneficiary Premiums
- Critics claimed competition would not work.
  
  "The theory was that competition among private drug-coverage plans would drive costs down. But it is hard to believe that will be the case when the plans are so difficult to compare and the seniors need their particular medications to maintain quality of life, if not to stay alive."
  
  *Miami Herald editorial, 2005*

### Competition
- Critics claimed private insurers won’t offer Part D coverage.
  
  "Mr. Scully said he has doubts about whether private insurers will want to offer the type of drug coverage envisioned in the Senate bill. [...] Stand-alone drug coverage ‘does not exist in nature’ and would probably not work in practice."
  
  *New York Times interview with CMS Administrator Tom Scully, 2003*

- Critics claimed Part D would be too complicated and seniors would not sign up.
  
  "Most seniors don’t understand the new prescription-drug program being offered under Medicare and don’t plan to sign up for coverage."
  
  *USA Today, 2005*

## What Actually Happened

### Cost
- Medicare Part D actually costs less than initially projected.
  
  Total Part D spending for 2004 to 2013 was 45 percent ($349 billion) LOWER than initial projections.
  
  *Congressional Budget Office, 2014*

- "...a transparent bidding process and competition among private insurers participating in the program kept costs low."
  
  *Former CMS Principal Deputy Jonathan Blum, 2013*

### Beneficiary Premiums
- Part D premiums have remained stable and are about half of original projections.
  
  In 2016, the average monthly beneficiary premium is about $32.50.
  
  *Centers for Medicare & Medicaid Services, 2015*

- "Seniors and people with disabilities are continuing to benefit from stable prescription drug premiums and a competitive and transparent marketplace for Medicare drug plans."
  
  *Acting CMS Administrator Andy Slavitt, 2015*

### Competition
- Competition works to keep costs low and options available.
  
  "Medicare Part D was designed to foster competition between plan sponsors to constrain drug spending. In assessing the impact of competition, CBO found that a larger number of plan sponsors in a region was associated with lower bids, on average, for the group of plans analyzed."
  
  *Congressional Budget Office Report, 2014*

### Coverage
- In 2016, there are ample plan options for beneficiaries.
  
  In 2016, there are nearly 900 Part D plans available nationwide with at least 19 options in each region.
  
  *Kaiser Family Foundation, 2015*

- There are nearly 40 million Part D beneficiaries and they are satisfied with their coverage.
  
  In 2014, Part D covered approximately 40.5 million beneficiaries.
  
  *Medicare Trustees Report, 2015*

- 90 percent of Medicare Part D beneficiaries are satisfied with their coverage.
  
  *MedPAC, 2013*