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16 Percent of Medicare Part D Enrollees May Be at Risk of Hitting the Doughnut Hole in 2019

According to New Survey Data From the Senior Citizens League

(Washington, DC) – About 16 percent of Medicare beneficiaries report out-of-pocket spending on prescription drugs high enough to put them at risk of hitting the Part D doughnut hole in 2019, according to an early sampling of a new survey conducted by The Senior Citizens League (TSCL). "If this sampling turns out to be correct, we estimate that as many as 7,000,000 Medicare beneficiaries are at risk of hitting the Part D doughnut hole coverage gap in 2019," says Mary Johnson, TSCL's Medicare policy analyst. At least 10 percent of beneficiaries, (about 4,500,000 in 2019) typically hit the coverage gap, according to data from the Centers for Medicare and Medicaid Services (CMS).

The survey asked participants about their average out-of-pocket spending on Part D prescription drugs in 2018. Forty-nine percent said they spent less than \$50 per month. Of those who spent more:

- 35 percent spent from \$51 to \$250 per month
- 8 percent spent from \$251-\$420 per month and
- 8 percent spent more than \$420 per month

"Most people only notice the amount of their prescription co-pay or co-insurance and don't pay attention the 'list price' of the drug," Johnson notes. "It's the list price of the drug—the amount that both the beneficiary *and* the drug plan pay—that determines how quickly an individual enters the Part D coverage gap," Johnson explains.

The Part D initial coverage limit in 2019 is \$3,820. Prescription drug costs averaging \$318 per month (list price) could put one at risk for reaching the Part D coverage gap, the stage of coverage when drug prices are usually the highest. More than 4 million Part D beneficiaries hit that gap in 2017.

The average annual growth rate in Part D costs per beneficiary is projected to be higher in the coming decade than it was from 2010 and 2017, due in part to the high costs associated with specialty drugs. Surveys conducted by the Senior Citizens League have found widespread support for three approaches to reduce prescription drug costs:

- 1. Allowing Medicare to negotiate drug prices (86 percent support)
- 2. Prohibiting deals that keep generics off the market (81 percent support) a
- 3. Allowing the importation of drugs from Canada and other countries where prices are lower (78 percent support)

The Senior Citizens League is working to get legislation enacted to lower prescription drug costs paid by older Americans. To learn more and to participate in the 2019 Senior Surveys, visit www.SeniorsLeague.org.

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With 1.2 million supporters, The Senior Citizens League is one of the nation's largest nonpartisan seniors groups. Its mission is to promote and assist members and supporters, to educate and alert senior citizens about their rights and freedoms as U.S. Citizens, and to protect and defend the benefits senior citizens have earned and paid for. The Senior Citizens League is a proud affiliate of <u>The Retired Enlisted Association</u>. Visit www.SeniorsLeague.org for more information.