HEALTH INSURANCE REFORM AT A GLANCE

MEDICARE PART D

HEALTH REFORM LEGISLATION CLOSES THE "DONUT HOLE" AND IMPROVES THE MEDICARE PART D DRUG PROGRAM

The Medicare Part D program was passed into law in 2003 and has been offering drug benefits to Medicare enrollees since January 1, 2006. The program has helped millions of seniors obtain prescription drug coverage. However, advocates have identified a number of problems with the program, including difficulties posed by the so-called "donut hole", where seniors lose coverage entirely for a portion of the year; burdens that cause many eligible low-income enrollees to miss out on benefits; and inadequate consumer protections for Part D enrollees. The health reform bill includes many important improvements to the Part D program.

CLOSES THE PART D DONUT HOLE

- Gives a $250 rebate to all Part D enrollees who enter the donut hole in 2010.
- Provides a 50 percent discount on brand-name drugs in the donut hole, beginning in 2011.
- Phases in additional discounts for brand-name and generic drugs to close the donut hole completely by 2020.
- A typical senior who hits the donut hole will save over $700 in 2011, and over $3,000 by 2020.

IMPROVES ACCESS AND INFORMATION FOR LOW-INCOME BENEFICIARIES

- Expands access to plans with a $0 premium for low-income beneficiaries by changing the calculation of which plans are eligible, and reduces the number of these enrollees who would have to switch plans each year to maintain a $0 premium.
- Allows widows and widowers to more easily retain their low-income eligibility.
- Ensures that low-income enrollees assigned to new Part D drug plans receive important information about their plan.
- Provides new funding for state programs to assist low-income and other Part D enrollees with enrollment into plans that cover their drugs.

STRENGTHENS CONSUMER PROTECTIONS FOR SENIORS AND THE DISABLED

- Creates a uniform exceptions and appeals process and provides instant access to allow Part D enrollees to appeal plan decisions if they are denied necessary drugs.
- Improves Part D plans' complaint systems and CMS monitoring of complaints.
- Improves formulary requirements to guarantee that Part D enrollees have access to necessary drugs.
- Creates new penalties for false or misleading marketing or enrollment of individuals in Part D plans.

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