



CMS NEWS

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Medicare prescription drug premiums projected to remain stable

On the eve of the 50th anniversary of the signing of Medicare and Medicaid into law, the Centers for Medicare & Medicaid Services (CMS) projected today that the average premium for a basic Medicare Part D prescription drug plan in 2016 will remain stable, at an estimated \$32.50 per month.

“Seniors and people with disabilities are continuing to benefit from stable prescription drug premiums and a competitive and transparent marketplace for Medicare drug plans,” said acting CMS Administrator Andy Slavitt. “While this is good news, we must ensure that Medicare Part D remains affordable for Medicare beneficiaries so that they can have access to the prescription drugs that they need.”

This news comes despite the fact that total Part D costs per capita grew by almost 11 percent in 2014, driven largely by high cost specialty drugs and their effect on spending in the catastrophic benefit phase. As the Medicare Payment Advisory Commission (MedPAC) recently [reported](#), total Medicare payments to plans for reinsurance have grown by more than three times the pace of premium growth.

However, growth in per-Medicare enrollee spending continues to be historically low, averaging 1.3 percent over the last five years. The recent 2015 Medicare Trustees [report](#) projected that the Medicare Trust Fund will remain solvent until 2030, thirteen years longer than they projected in 2009, prior to passage of the Affordable Care Act (ACA).

Seniors and people with disabilities are continuing to see savings on out of pocket drug costs as the ACA closes the Part D donut hole over time. Since the enactment of the ACA, more than 9.4 million seniors and people with disabilities have [saved over \\$15 billion](#) on prescription drugs, an average of \$1,598 per beneficiary.

For the past five years – for plan years 2011-2015 – the average Medicare Part D monthly premium for a basic plan has been between \$30 and \$32. Today’s projection for the average premium for 2016 is based on bids submitted by drug and health plans for basic drug coverage for the 2016 benefit year and calculated by the independent CMS Office of the Actuary.

The upcoming annual open enrollment period – which begins October 15 and ends December 7 – allows people with Medicare to choose health and drug plans next year by comparing their current coverage and plan quality ratings to other plan offerings. New benefit choices are effective January 1, 2016.

To view the Part D Base Beneficiary Premium, the Part D National Average Monthly Bid Amount, the Part D Regional Low-Income Premium Subsidy Amounts, the De Minimis Amount, the Part D income-related monthly adjustment amounts, and the Medicare Advantage Regional Benchmarks, go to: <http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Ratebooks-and-Supporting-Data.html> and select “2016.”

To learn more about the Medicare Part D prescription drug benefit, go to: <http://www.medicare.gov/part-d/>