



Mending the Medicare Prescription Drug Benefit

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Mending Medicare's Drug Benefit

- To address complexity and selection incentives
 - Standardize benefits designs to between 7 and 9 plans; allow 1 wild card plan per sponsor
 - Reorient competition from competition for enrollees to competition for contracts
 - Assign every new Medicare enrollee to a default plan

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- To improve purchasing
 - Return prices paid on behalf of dual eligible to prices that approximate pre-part D prices
 - For unique drugs, monitor transaction prices and develop system of temporary administered prices, possibly based on binding arbitration
- To make risk bearing more efficient
 - Alter rule governing actuarially equivalent plans to allow higher deductibles and coverage in donut hole
 - Redefine standard benefit to include generic coverage in donut hole

Mending Medicare's Drug Benefit

- Move drugs covered under Part B to Part D
 - Allow for continuation of some existing cost sharing arrangements for Part B drugs