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Medicare beneficiaries in donut hole will see 50-percent discount on brand name drugs in 2011

Vice President Joe Biden, the U.S. Department of Health and Human Services and the Centers for Medicare & Medicaid Services (CMS) today announced that the nation's pharmaceutical manufacturers will provide 50 percent discounts on the cost of covered brand-name prescription drugs for beneficiaries in the Medicare Part D coverage gap, or donut hole, starting in 2011.

Vice President Biden and Secretary Sebelius made the announcement on a grassroots conference call with seniors from across the country. On the call, the Vice President and the Secretary discussed the benefits of the Affordable Care Act for seniors including the prescription drug discounts and provisions in the law that help fight fraud and make certain preventive care and annual wellness exams, free for most Medicare beneficiaries.

"Thanks to the Affordable Care Act, millions of people with Medicare who will fall into the Part D donut hole next year will pay less for their prescription drugs," said Vice President Biden. "The discount manufacturers will pay on brand-name drugs, helping millions of seniors who are struggling to make ends meet at the end of the month, and it's just one of the ways the new health care law helps make Medicare stronger."

The Affordable Care Act has helped reduce costs for Medicare beneficiaries, beginning with one-time rebate \$250 rebate checks for beneficiaries who hit the donut hole in 2010.

"More than 1.2 million beneficiaries who have hit the donut hole so far this year have received their \$250 rebate checks as part of the cost savings provisions in the Affordable Care Act, and millions more are on deck to get a check," said HHS Secretary Kathleen Sebelius. "Now, with these new agreements, people who rely on Medicare will see even more savings off their drug costs next year, and savings will continue even after the coverage gap is closed in 2020."

Seniors and people with disabilities enrolled in Medicare drug plans will also find next year that through the use of the new tools provided by the Affordable Care Act, premiums are stable and the number of prescription drug plans that voluntarily help fill the donut hole has increased. In August, CMS reported that the average 2011 Medicare prescription drug plan premium will remain similar to rates beneficiaries are currently paying this year – an increase of \$1.

"Most Medicare prescription drug plan premiums will remain stable next year and beneficiaries will find there are clearer plan options and many plans that can help them save even more – like those plans that are offering benefits that help fill the donut hole," said CMS Administrator Donald Berwick, M.D. "They will find that the Affordable Care Act improves the value of drug coverage they get next year."

Beneficiaries will soon receive their 2011 *Medicare & You* handbook and find updated information at www.medicare.gov and 1-800-Medicare in mid-October. Users of the Medicare Plan Finder, available at

www.medicare.gov, will be able to compare plans' quality summary rating from the previous year, identify which drugs are included on a plan's formulary, and compare the cost ranges for plans available in their communities.

More information is available at www.healthcare.gov, a new web portal made available by the U.S. Department of Health and Human Services. A fact sheet on the Medicare Part D discount can be found at www.HealthCare.gov/news/factsheets.

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