

Cancer Patients Benefit from Medicare Part D Program Savings



The Medicare program covers 55.3 million people, including 46.3 million who qualify due to age and 9 million people who qualify on the basis of a disability.¹ Medicare beneficiaries - including many cancer patients and survivors - have access to an outpatient prescription drug benefit that provides them with prescription drugs needed to treat their disease or condition. This benefit – and keeping it affordable – are crucial to any health care system that works for cancer patients and survivors.

What is Medicare Part D?

In 2003, Congress enacted the Medicare Prescription Drug Benefit (Medicare Part D), which added much-needed coverage of outpatient prescription drugs to the Medicare program. Prior to the enactment of this legislation, most Medicare beneficiaries lacked coverage for outpatient prescription drugs and many of those who had coverage often faced caps or limits on their coverage.

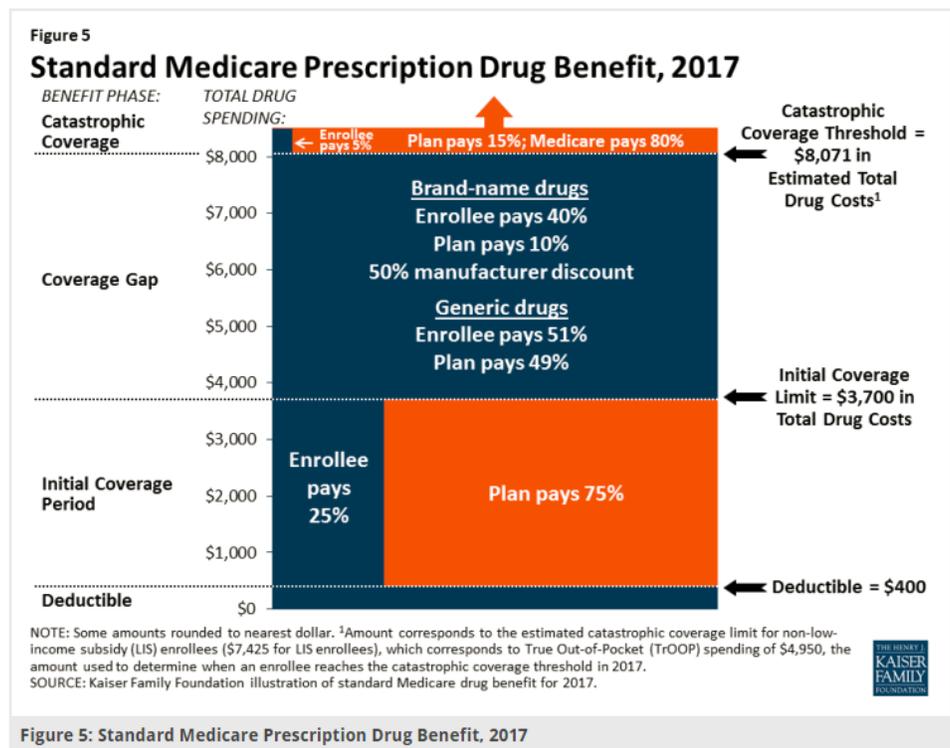
What is the Part D “Donut Hole” and How Is It Closing?

While the Part D benefit provided drug coverage, due to budget constraints, the benefit contained a gap in coverage (otherwise known as the “donut hole”). Initially, once beneficiaries reached a certain dollar threshold their Part D plan would stop paying for drugs until expenses reached the “catastrophic” level. This gap left beneficiaries vulnerable to higher out-of-pocket costs.

Since 2010, the Part D donut hole is being phased out so that by the year 2020 Medicare beneficiaries will no longer experience a gap in their coverage. This will help reduce out-of-pocket costs for beneficiaries who have high outpatient drug costs. The graphic above illustrates the closing of the donut hole for 2017.²

Why Is This Important to Cancer Patients?

The chances of receiving a cancer diagnosis increases with age,³ thus adequate coverage in Medicare is critical for individuals with cancer and cancer survivors. Many cancer patients and survivors take outpatient drugs, including oral chemotherapy, supportive medications for pain or anti-nausea and hormone therapy. Research has shown that individuals who experience high out-of-pocket costs are less likely to take their recommended medications –



often skipping pills or not filling prescriptions.⁴ Thus, reducing a beneficiary's out-of-pocket costs will help to ensure the beneficiary is properly taking her medication. This is particularly important in cancer care because if cancer treatment is disrupted the effectiveness of the treatment could be jeopardized and the individual's chance of survival could be significantly reduced.

¹ The Board of Trustees, 2016 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplemental Medical Insurance Trust Funds, available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/downloads/tr2016.pdf>.

² The Medicare Prescription Drug Benefit, The Henry J. Kaiser Family Foundation, Sept. 26, 2016, accessed Dec. 21, 2016, <http://kff.org/medicare/fact-sheet/the-medicare-prescription-drug-benefit-fact-sheet/>.

³ American Cancer Society, Cancer Facts & Figures 2017, available at <http://www.cancer.org/acs/groups/content/@editorial/documents/document/acspc-048721.pdf>

⁴ Lee, M. & Khan, M.M. Gender differences in cost-related medication non-adherence among cancer patients. *J Cancer Surviv* (2016) 10: 384. doi:10.1007/s11764-015-0484-5.