

U.S. House and Senate Notification

Thursday, February 2, 2012

To: Congressional Health Staff

From: Jennifer Boulanger

Acting Director, Office of Legislation

Centers for Medicare & Medicaid Services

Re: HHS Releases 2011 Coverage Gap Discount Data, Report on Medicare Beneficiary Savings under the Affordable Care Act

Today, the Department of Health and Human Services (HHS) announced that 3.6 million people with Medicare saved \$2.1 billion on their prescription drugs in 2011 thanks to the Affordable Care Act coverage gap discount program. HHS also issued a new report showing the average Medicare beneficiary will save nearly \$4,200 by 2021 because of the new law.

The Affordable Care Act provides a 50 percent discount on brand-name prescription drugs in the Part D coverage gap or “donut hole” and this year, 14% coverage for generics in the coverage gap. Last year, the Affordable Care Act provided seven percent coverage on covered generic medications for people who hit the coverage gap, with 2,814,646 beneficiaries receiving \$32.1 million in savings on generics.

In 2011, the 3.6 million Americans who hit the donut hole saved an average of \$604 on the cost of their prescription drugs. Data also show that women especially benefitted from the law’s provision with 2.05 million women saving \$1.2 billion on their prescription drugs. Seniors and people with disabilities saved money on a wide variety of drugs in the donut hole, including:

- Blood sugar lowering drugs- \$300.3 million
- Cholesterol lowering drugs- \$263.2 million
- Asthma drugs- \$228.5 million
- Blood pressure drugs- \$120.2 million
- Psychiatric drugs- \$101.5 million

By 2020, the coverage gap will be closed completely. The new HHS report released today finds that this provision and other features of the health reform law will generate substantial savings for people with Medicare. Typical Medicare beneficiaries will save an average of nearly \$4,200 from

2011 to 2021. People with high prescription drug costs could save as much as \$16,000 over the same period.

The HHS Report on Medicare beneficiary savings from the Affordable Care Act is available at: <http://aspe.hhs.gov/health/reports/2012/MedicareBeneficiarySavings/ib.pdf>

2011 Coverage Gap Discount Data by state, zip code and therapeutic use is available at: <https://www.cms.gov/Plan-Payment/>

The HHS Press Release is available at <http://www.hhs.gov/news/>

A CMS Fact Sheet on Coverage Gap Data will be available at <https://www.cms.gov/newsroom/>

If you have any questions about this notification, please contact the CMS Office of Legislation at 202-690-8220. Thank you.