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GAO REPORT CONFIRMS HEALTH REFORM LAW NEW MEDICARE DRUG DISCOUNTS SAVING SENIORS MONEY

Baucus, Waxman, Levin, Dingell, Release Report Showing Success of Medicare Part D Drug Discounts

Washington, DC – A report released today by Sen. Max Baucus (D-Mont.), Reps. Henry Waxman (D-Calif.), Sander Levin (D-Mich.), and John Dingell (D-Mich.) confirms the successful implementation of the new Medicare Part D drug discount included in the Affordable Care Act (ACA). The report shows that the landmark health reform law the congressional leaders helped pass is effectively saving seniors' money.

Prior to passage of the ACA, seniors were often forced to pay the full cost of their prescription drugs when they were caught in the Medicare Part D coverage gap, informally known as the donut hole. Thanks to the ACA, these seniors now receive a 50% discount on all brand-name drugs when they hit the coverage gap. These discounts gradually increase until 2020 when the donut hole is completely closed. GAO was asked to report on the Centers for Medicare & Medicaid Services' (CMS) implementation of this new drug discount program and its impact on the Part D benefit.

The GAO report found that the discount is working as intended. GAO's findings reveal that CMS implemented the program in a timely fashion, establishing systems for oversight to ensure that seniors were provided with required discounts. GAO reported that "most [Part D plan] sponsors and PBMs told GAO that the Discount Program did not affect Part D plan formularies, plan benefit designs, or utilization management practices." GAO also conducted a detailed cost comparison of popular drugs, finding that price increases of drugs likely to be discounted in the donut hole were no higher than price increases for other drugs – an indication that the new discount program did not cause manufacturers to increase drug prices.

"This report shows how health reform is working to save seniors \$4.8 billion and helping them afford their prescription drugs, closing the donut hole," said Senate Finance Committee Chairman Max Baucus. **"We need to help seniors save every dollar they can and that's exactly what the Affordable Care Act does – reducing seniors' out-of-pocket costs while providing more benefits."**

"President Obama's health care reform law improved Medicare by immediately providing seniors with 50% discounts in the Part D drug donut hole, saving five million seniors more than \$4 billion to date," said Rep. Waxman, Ranking Member of the Energy and Commerce Committee. **"Today's GAO report**

confirms that the program is working exactly as intended and is helping to cut seniors' drug costs. That's why I'll continue to fight Republican efforts to overturn the law."

"Today's report is another example of how Obamacare meets its promise of improved access, affordability, and quality health care for millions of Americans on Medicare by closing the 'donut hole'," said Rep. Levin, Ranking Member of the Ways and Means Committee. "Republican efforts to repeal the health reform law and end traditional Medicare would turn back the clock for millions of seniors and Americans with disabilities who already benefit from the law's vital improvements."

"This is hard and fast evidence that Obamacare is doing what it was implemented to do: to make health care more accessible and affordable," said Rep. Dingell. "More and more seniors are able to access their medications now that they no longer have to pay steep prices on brand-name drugs. I commend CMS for their swift and successful implementation. This has improved the quality of life for millions of Americans across the country."

The full GAO report, Medicare Part D Coverage Gap: Discount Program Effects and Brand-Name Drug Price Trends, is available online [here](#).

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