**GOVERNMENT NEGOTIATIONS WOULD INCREASE COSTS AND REDUCE ACCESS FOR BENEFICIARIES**

**PART D REBATES COULD JEOPARDIZE JOBS IN A GROWING ECONOMY**
A recent study estimates that the impact of a mandatory rebate on Part D drugs would result in 130,000 to 260,000 lost jobs supported by the biopharmaceutical sector.\textsuperscript{xii}

**PART D REBATES COULD INCREASE COSTS AND REDUCE ACCESS FOR BENEFICIARIES**
CBO has warned in the past that legislation imposing this type of government price setting in Part D could contribute to an increase in beneficiary premiums\textsuperscript{vi}, reduced choices, higher copays and more restrictive formularies.\textsuperscript{vii}

**PART D SPENDING IS FAR BELOW PROJECTIONS**
Total Part D costs are $349 billion (45%) less than projected for the initial 2004-2013 forecast period, according to CBO data.\textsuperscript{ii}

**PART D BENEFICIARY PREMIUMS ARE SUBSTANTIALLY LOWER THAN THE PROJECTED AMOUNT**
The average monthly beneficiary premium is estimated to be about $34 in 2017,\textsuperscript{iv} substantially lower than the $51 forecast originally by the Medicare Trustees.\textsuperscript{iv}

**WHAT IS THE IMPACT ON PATIENTS’ COSTS?**
We support proposals that lower costs for patients, such as 1 Cap on patient out-of-pocket costs, and 2 Sharing rebates at the point-of-sale. We oppose changes to the calculation of “True Out-of-Pocket (TrOOP)” because it would raise patient costs.
CITATIONS

i  CBO, March 2016 Medicare Baseline Spending Forecast. Calculated as the share of Part D spending in components of Mandatory Outlays.

ii  See CBO Medicare Baselines available at www.cbo.gov


iv  2008 Medicare Trustees Report, Table V.C2, p. 178.


ix  CBO, “Competition and the Cost of Medicare’s Prescription Drug Program” July 2014, p. 35.


xi  See 2014 Medicare Trustees Report, p. 150, footnote 63.