HOW RETROACTIVE PHARMACY DIR* FEES HURT MEDICARE PATIENTS & TAXPAYERS
*Direct and Indirect Remuneration

#1 AT THE PHARMACY COUNTER
Medicare-enrolled seniors pay pharmacies a co-pay for medications,
while the full price of the drug is credited against the patient’s coverage limit.

#2 WEEKS OR MONTHS LATER
The PBM administering Medicare’s prescription benefit decides to take back a portion of the pharmacy’s reimbursement for the actual costs of the patient’s medication.

#3 THE RESULT
The original higher price – not the adjusted price – is still counted against the patient, pushing her more quickly into Medicare’s “doughnut hole” coverage gap, in which she becomes responsible for a much greater portion of her prescription costs.

#4 EVENTUALLY
...as the patient’s health care expenses mount, she’ll be pushed out of the doughnut hole...
...and into Medicare’s catastrophic coverage phase, in which taxpayers are now on the hook for 80% of her health care expenses.

John Q. Taxpayer

The Federal Government

9/2017