

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 reimbursed price of the drug is credited against the patient's coverage limit.



#2

WEEKS OR MONTHS LATER

PBM



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

PBM

THE RESULT

The original higher reimbursed 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 80% of her prescription costs.



#4

...as the patient's health care expenses mount, she'll be pushed out of the doughnut hole...

John Q. Taxpayer



...and into Medicare's catastrophic coverage phase, in which taxpayers are now on the hook for 80% of her health care expenses.

EVENTUALLY

The Federal Government

