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## MEMORANDUM

**TO:** All Members

**FROM:** Patrick Cucinelli, Senior Director of Public Policy Solutions

**DATE:** August 9, 2011

**SUBJECT:** **2012 Medicare Prescription Drug Premiums**

**ROUTE TO:** Administrator/Director, Social Services Director

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**ABSTRACT:** Medicare Part D premiums to stay level for next year.

According to the Centers for Medicare and Medicaid Services (CMS), Medicare average prescription drug premiums will not increase in 2012. CMS data indicate that 17 million people with Medicare have received free preventive services this year while 900,000 Medicare beneficiaries who hit the prescription drug “donut hole” have received a 50 percent discount on their prescription drugs.

Under the Affordable Care Act, people with Original Medicare can receive recommended preventive benefits and a new annual wellness visit without any additional out of pocket costs. In addition, the Affordable Care Act is closing the prescription drug donut hole by providing increasing discounts on covered drugs in the donut hole. CMS also notes the following statistics:

From Jan. 1, 2011 to July 2011 there were 17,336,421 people, or 51.5 percent, with Original Medicare who received one or more free preventive services.

During the same time period, 1,061,780 Americans with Original Medicare have taken advantage of Medicare’s new Annual Wellness Visit.

The dollar amount of these out-of-pocket savings on drug costs for Medicare beneficiaries has risen to \$461 million saved through June 2011 -- up from \$260 million through May 2011, meaning beneficiaries in the donut hole saved over \$200 million in the month of June alone.

CMS also announced that the cost of the average Medicare prescription drug plan premium in 2012 will be about \$30. The average premium in 2011 is \$30.76. The announcement was based on bids submitted by Part D plans for the 2012 plan year.

The national and regional premium data in today's announcement can be found at:  
<http://www.cms.gov/MedicareAdvtgSpecRateStats/RSD/list.asp>.

For state-by-state information on the number of Medicare beneficiaries who have seen lower out-of-pocket costs in the donut hole, please visit [http://www.cms.gov/newmedia/03\\_partd.asp](http://www.cms.gov/newmedia/03_partd.asp)

For state-by-state information on utilization of free preventive services and the annual wellness visit, please visit [http://www.cms.gov/newmedia/02\\_preventive.asp](http://www.cms.gov/newmedia/02_preventive.asp)

In June, Medicare launched *Share the News. Share the Health*, a campaign to raise awareness about the importance of prevention for people with Medicare and their health care providers. As part of the campaign, television and radio public service announcements are airing nationwide and regional events are being held around the country to educate Medicare beneficiaries about the new services available.

For more information on Medicare's *Share the News. Share the Health* prevention campaign, go to <http://www.medicare.gov/share-the-health/> or call 1-800-MEDICARE.

Please contact me with any questions at [pcucinelli@nyahsa.org](mailto:pcucinelli@nyahsa.org) or call 518-867-8827.