

# Medicare Part D and Health Reform:

## A Timeline of Changes to the Medicare Prescription Drug Program

### 2010

- Provides a \$250 rebate to people with Medicare in the doughnut hole. (The doughnut hole is the \$3,600 gap in the drug benefit when consumers pay full price.)
- Authorizes the Food and Drug Administration to approve generic versions of biologics, which treat diseases such as diabetes, and allows generic versions to enter the market after 12 years. This means more affordable versions of biologics will be available to consumers in the future.

### 2011

- Manufacturers will provide a 50 percent discount on brand-name drugs and the government will provide a 7 percent discount on generic drugs for consumers in the gap in 2011.
  - Discounts will increase each year until 2020, when the consumer's share of costs in the gap will be 25 percent for both brand-name drugs and generics.
  - For a chart of the phaseout, please see [Health Reform and Medicare: Closing the Doughnut Hole](#).
- Raises drug plan premiums for individuals earning over \$85,000 and couples earning over \$170,000.
- Creates a single Annual Enrollment Period (AEP) for drug and health plan changes, which begins on October 15 and ends on December 7. (This new AEP will begin in fall 2011 for enrollments for the 2012 plan year.)

### 2012

- Eliminates prescription drug copayments for certain dual eligibles (people with both Medicare and Medicaid) who are receiving home- or community-based long-term care.

### 2013 – 2020

- The coverage gap will be phased out through annual increases in discounts until 2020, when the consumer's share of the costs will be reduced to 25 percent for both brand-name and generic drugs.