



Medicare Part B



Preserving Patient Access to Lifesaving Medicines in Medicare Part B

Medicare Part B, commonly referred to as Medicare’s medical benefit, covers a wide range of health care services for seniors and people living with disabilities. Part B covers physician office visits, outpatient care, ambulance services, some medical devices and most medicines administered by a physician. Medicines covered by Part B include treatments for complex conditions like cancer, rheumatoid arthritis, autoimmune conditions and more.

Recently, there have been discussions about making major changes to the way that Medicare covers and reimburses Part B medicines. Proposals include changes that could make it more difficult for community providers to care for patients in their office and imposing new restrictions that could make it more difficult for seniors to access the medicines they need, such as inserting a middleman between doctors and their patients. Several of the proposed changes, including some released by the Medicare Payment Advisory Commission (MedPAC), are similar to the controversial proposal issued by the Centers for Medicare & Medicaid Services (CMS) in 2016.

The current Medicare Part B drug payment methodology is an effective, market-based pricing mechanism that works to control costs while providing critical access to medicines for patients. Part B drugs are a small and stable share of overall Part B spending and represent just 3 percent of total Medicare costs.ⁱ Sweeping changes to Medicare Part B reimbursement without thoughtful consideration and stakeholder input is not the right approach and puts Medicare patients who rely on these medications at risk.

Concerns with Broad Part B Changes

Nearly 270 patient groups, provider groups and other health care stakeholders voiced their concerns in a letter to the HHS Secretary, warning against changes to Medicare Part B recommended by MedPAC. Key concerns include:

- The recommendations could limit patient access to cancer treatments and other lifesaving medicines by making it more challenging for community providers to offer some medicines.
- The recommendations would have a disproportionate impact on the sickest Medicare patients who need innovative medicines covered by Part B, like those to treat serious conditions such as cancer, autoimmune disease and arthritis.
- The recommendations would impose new coverage restrictions that make it more difficult for patients to access the medicines they need and potentially place a middleman between doctors and their patients.
- The recommendations could discourage investment in new treatments for cancer and other serious diseases.

ⁱ Analysis of 2016 Medicare Trustees Report and June 2016 MedPAC Databook conducted by Price Waterhouse Cooper.