Seniors paid almost $22 billion in extra out-of-pocket costs because Part D plans treated lower cost generics as brands on formulary tiers.

Studies from Avalere show billions in unnecessary out-of-pocket spending by seniors. For 2017, the CMS Part D Call Letter accelerated an already costly practice of plans charging seniors the brand out-of-pocket rate when seniors received the lower cost generic.

Fortunately, CMS’ CY 2020 Part D Call letter recently proposed changes that would stop this practice by requiring generics to be placed on generic tiers which would reduce out of pocket costs to seniors and eliminate confusion.

2 Avalere Study: “XXXX”, February 28, 2019