

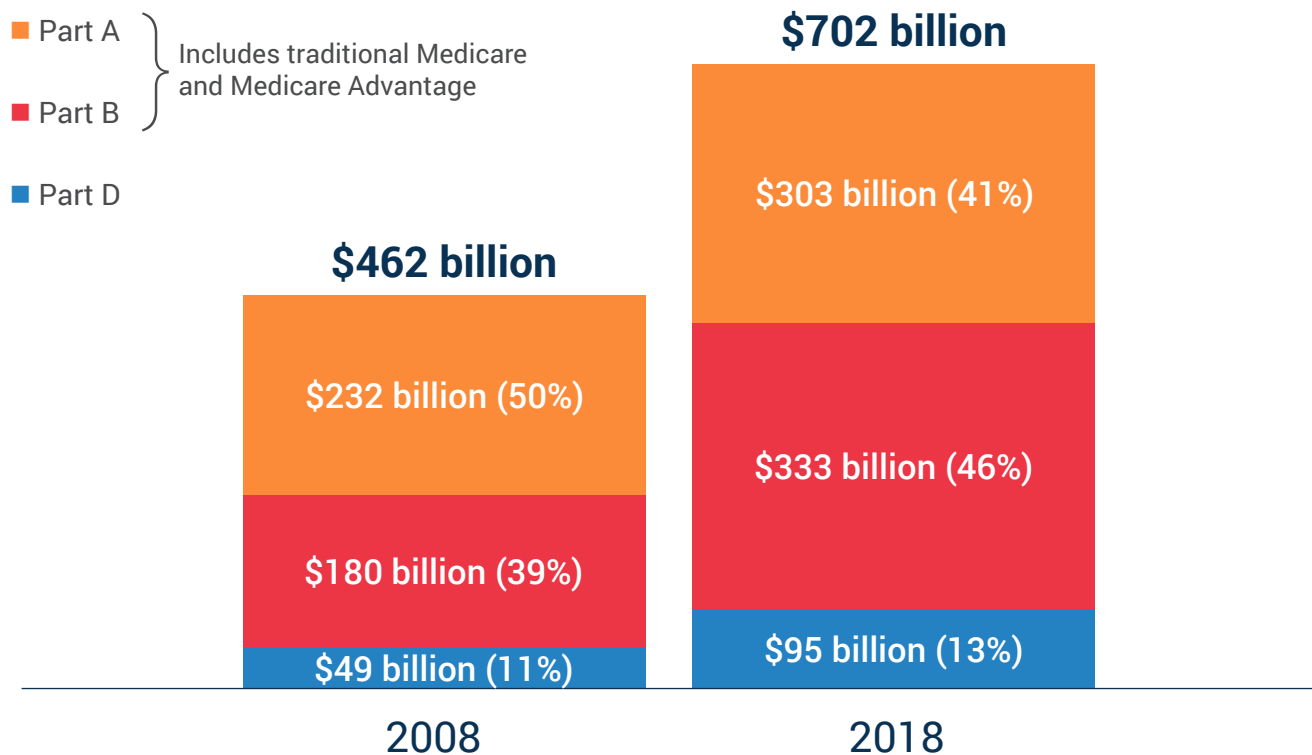


Since Medicare Part D was first implemented in 2006, the benefits to Medicare beneficiaries have been evident. The American Journal of Managed Care found that almost 200,000 Medicare beneficiaries have lived at least one year longer and life expectancy for them has increased by 3.3 years, thanks to better health and slower disease progression. These improvements in health have resulted in fewer hospitalizations and reduced nondrug medical spending, leading to a reduction in overall health care spending.

CMS estimates the average monthly Part D premium in 2020 will be \$32.74. These savings to taxpayers are achieved through privately negotiated discounts that have resulted in Part D costs being half of what was projected for the program.

The chart below demonstrates the differences in Medicare benefit costs from 2007 to 2017 broken out into the individual parts of the program.

## Medicare Benefit Payments for Part A, B, and D, 2008 and 2018



SOURCE: KFF analysis of Medicare spending data from the 2008 and 2018 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, Table II.B1.