POZ

THE HALF-BAKED DONUT HOLE

April 5, 2010 By David Capogna

Hey, it's your long lost blogger. Obama finally signed Health Care Reform into law, so what does this mean for ME? There will be some pretty quick changes regarding my Medicare "donut hole." Remember I've been whining about this in previous blogs ad nauseam *(just love spicing it up with a bit of Latin!)* The donut hole, or officially the Medicare Part D Drug Benefit Gap, was costing me and 3.4 million Americans either on disability and/or seniors close to $4500 annually most of it paid out in the first few months of the year. WOW, is right!

Here's the nuts and bolts (or flour and eggs) of the original donut hole. Back in 2003 our old friend President Bush and our Republican controlled Congress established Medicare Part D for Americans to purchase drugs and allotted $400 billion over the new 10 years. Obviously this didn't last very long, and that when the donut hole got its name.

The Obama plan uses a combination of $80 billion from private drug companies and $42.6 billion of government money over the 10 years to close the doughnut hole. I'm doing the math in my head but 80 plus 42.6 doesn't equal 400? I did have a stroke so maybe you should double check my numbers? NPR reported on this last week - Health Law Timeline: Closing The Medicare Drug Gap. Here's what's going to happen supposedly over the next decade.

2010: reimbursement check of $250 to pay for cover Medicare Gap. DUH...It's already April, my donut hole is paid off. I'm now in the "catastrophic state" *($2.25 for a generic or preferred drug and $5.65 for other drugs, or 5% coinsurance, whichever is greater.)*

2011: This is the good part, 50% off brand name drugs. Truvada $980, Kaletra $739, Lovenox $702 - all slashed in half as a "gift" from the private drug companies, until my donut hole is paid for! Keep in mind the $80 billion is supposed to last for 10 years.

2012: Ditto.

2013->2020: The government will add 2.5% to the private drug money and eventually reach 25% by 2020. Magically private drug companies and government subsidies will equal 75% off brand name drugs.   Generic drug don't really register in my budget, there's affordable. But they will also be subsidized exclusively by the government up to 75% by 2020. Kind of like the "catastrophic state" for generic drugs is now.

Let's hope that they can deliver. The $80 billion was non-negotiable and Obama had the support of Big Pharma in one fell swoop.   Big Insurance was now the enemy, Big Pharma was our friend. No Socialist Obamacare ads from drug companies, no band of Teabaggers chanting "Communist Drugs," etc.   But Big Pharma will still pour millions of dollars into TV commercials, print ads, and sale reps. They will continue holding conventions and education seminars about "their latest development" which is probably a combination of drugs or a drug will a new name which simultaneously treats another disease, ALL with new patents which last 20 years. Who knows how much the donut hole with cost in two decades? It's still all about profits and not patients.
