MEDICARE PART D: THE FIRST YEAR AND BEYOND

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INTRODUCTION

- Medicare Part D was implemented on Jan.1, 2006.
- Prescription drug "coverage" for Seniors (> 65 years old) and the disabled (most receiving SSD).
- The new and complicated program was more or less thrust upon Medicare recipients with an approximate 5 month deadline to sign up.
- Medicare Part D was developed and written into law in concert with the prevailing conservative political agenda (represents privatization to HMO insurance & drug companies).

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Problems—the First Year

1) Assistance was needed for many respondents to enroll in Medicare Part D (the "sea of choices" & vast bureaucracy of implementing the policy).
2) Low-income Medicare respondents were eligible for a Social Security subsidy—most were unaware and did not sign up by the deadline.
3) "Sticker shock": Most respondents enrolled in Medicare Part D are now spending more or the same for prescriptions. Categories are used (Specialty Drugs, Non-Preferred Drugs, Preferred Drugs, Generics) for determining the copayment.
4) The existence of the "donut hole" (coverage gap) was not emphasized in the application process.

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*Table 1: Prescription Drug Costs to Recipients Under Medicare Part D

Copayment	Covered Prescription Drug	Cost Examples**	Cost with low-income subsidy**
Lowest Copay	Generic prescription drugs (e.g., Omeprazole)	$2	$2
Medium Copay	Preferred brand-name prescription drugs (e.g., Protonix)	$5	$5 or 15% of drug cost
Higher Copay (no generic available)	Non-preferred brand-name prescription drugs (e.g., Niaspan)	$25-$35	<15% of drug cost (e.g., $20-$30)
Highest Percent as Copay (no generic available)	Specialty drugs (e.g., Abilify)	25-33% of drug cost (e.g., $75-$100)	$75

*Adapted from *Medicare and You* (2007) & Social Security Administration (2006).

**Copayments for a 30-day supply of drugs: costs vary by plan and particular provider's formulary.

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ACCESS TO PRESCRIPTION MEDICATIONS

•In the United States gaining *access* to necessary prescription medications depends upon:

Cost	**Age**
Socioeconomic status	**Race/ethnicity**
Educational level	**Type of disability**

•The limited coverage provided by Medicare D in this brave new world of innovative and highly effective drugs coexists with soaring profits in the insurance and pharmaceutical industries.

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“Hurdles to Jump”

- Navigating the “sea of choices” to sign up and to be aware of the coverage gap, copayments, insurance premium, differing formularies of pharmacies.
- Plan is fraught with too many choices & options--leading most recipients to consult family, friends, & even attorneys to determine the best plan for their needs.
- The next hurdle is the coverage gap (i.e., “donut hole”). Recipients in the “donut hole” face paying 100% out-of-pocket costs for medications (while they still must pay the monthly insurance premium).

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Needed Interventions for Medicare Part D Recipients

- A "wake-up" call to the existence and costly effects of a "donut hole" (coverage gap) in their Medicare Part D plan (so they can budget for it).
- Most *recipients, upon choosing a Medicare Part D plan, are unaware of the change in their overall spending for their prescription medications*. Note that seniors and the disabled are our most friable group and may be taking several prescriptions.
- Most are not aware of the policy premium.
- A satisfaction and experience survey (possibly conducted by AARP) for plan members is necessary.

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CONCLUSIONS--MEDICARE PART D:

•Obstacles and barricades to accessing prescription medications focus on the *difficulty in signing up* for the proper plan and *awareness of the coverage gap ("donut hole").*

•Medicare Part D has virtually universal acceptance by public and private pharmacies as providers.

•Difficulties in signing-up for Medicare Part D plan is a "sea of choices"--crossing social/cultural and economic variables (race/ethnicity, age, educational level, type of disability).

•Elements of the prescription drug plan are constantly changing--major changes are instituted annually (Jan. 1).

•The goal is to influence policymakers to formulate changes to Medicare Part D policy to provide prescription savings for middle class seniors & the disabled with greater access for low-income recipients.

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