Medicare drug plan mostly a success in Massachusetts

By Sondra Shapiro

BOSTON —

The Medicare drug benefit offered by the federal government has enrolled 777,000 seniors in Massachusetts — 78 percent of those eligible — according to a new study by Massachusetts Health Policy Forum and Massachusetts Medicaid Policy Institute. Nevertheless, 125,000 Medicare beneficiaries may still be without drug coverage. And about half of the 37,000 who have signed up for Part D low-income subsidies are still waiting for approval.

Initially, Part D enrollment was complicated for seniors and for those trained to help them as the federal website and material contained erroneous and confusing information. Medicare Part D became law in 2003 and began enrolling beneficiaries in January 2006. Because it relies on the private sector to provide drug coverage, each state offers numerous competing plans, all with varying coverage, costs and rules.

The study was unveiled last week at a policy forum, "Medicare Part D: Successes and Continuing Challenges," co-sponsored by the Massachusetts Health Policy Forum at the Heller School for Social Policy and Management at Brandeis University and the Massachusetts Medicaid Policy Institute. The forum featured a panel discussion by four experts in Medicare, Medicaid and senior services.

Initially, Part D enrollment was complicated for seniors and for those trained to help them as the federal website and material contained erroneous and confusing information. That prolonged the design decision-making process for many.

To soften the blow for newer enrollees who required immediate help, Massachusetts spent $17.7 million to provide emergency drug coverage for dually eligible beneficiaries — those enrolled in Medicare and MassHealth, the state Medicaid program — and for members of the state’s drug insurance program for seniors, Prescription Advantage, during the first months of 2006. Medicare reimbursed most of the money the state spent.

The 72,000-member Prescription Advantage program has gone from costing the state $115 million to an estimated $69 million in its new incarnation as a Part D wraparound program.

The new federal drug plan is also estimated to save MassHealth $21 million to $25 million this year. “The state has done well financially,” said Robert Seifer, executive director of the Massachusetts Medicaid Policy Institute. “The questions now are whether those savings will continue and whether the divided financing of medical services and drugs affects the coordination and quality of care.”

Though the majority of the state’s Medicare beneficiaries are generally satisfied with Medicare Part D, and most of the problems attributed to the initial rollout are resolved, the study revealed some ongoing issues:

- Errors deducting premiums from Social Security payments.
- Nearly 200,000 dually eligible beneficiaries are often subject to limited drug choices through private plan formularies.
- Annual increases in drug plan premiums, in some cases, doubled in just one year. Monthly premiums in 2007 for the 43 Medicare Advantage plans offered in Massachusetts range from $134 to $874.30, an increase from the 2006 range of $7 to $65. Overall, the cost is about $2 lower than the national average. The study points out that this expense is in addition to the premium Medicare beneficiaries must pay for Part B (doctors visits and outpatient services), which in 2007 begins at $93.50 per month and increases with income.
- Numerous complaints of limited drugstore networks for particular plans.
- Unanticipated cost of drug co-payments.
- Changes to medications because of specific formularies.
- No drug plan in Massachusetts covers brand-name drugs in the coverage gap (sometimes called the doughnut hole), so many beneficiaries with annual drug costs between $2,400 and $5,451 are faced with paying the full cost for those medications.
- Limitations on accessing drugs.
- Navigating the appeals process. Medicare beneficiaries who were turned down for a certain drug are entitled to appeal. But agencies in Massachusetts that help with that process, such as the Greater Boston Legal Services and Medicare Advocacy Project, report the course of action is often difficult. “Because appeals are instigated through individual drug plans, there is no uniform resolution or overarching decisions made for all beneficiaries.” There is further concern that there may be many individuals with Part D-related problems who do not know how to access services for assistance with appeals or other grievances, the report states.
- Though there are only 1,000 fewer beneficiaries with employer drug coverage than in 2006, there’s a risk that employers will drop retiree drug coverage as the price for prescription medications continues to rise and Medicare Part D becomes more established.
- The complexity of the program has been exacerbated by the dizzying array of choices and the limited experience many seniors have with computers. “According to advocates and volunteers, it takes an average of 45 to 90 minutes in one-on-one sessions to help beneficiaries understand and choose their Part D,” according to the report.

The report credits the volunteer efforts of nearly 400 organizations with helping seniors get through the transition by performing education and outreach. Those agencies include MassHealth, the Massachusetts Executive Office of Elder Affairs (and Prescription Advantage), the SHINE program (Serving the Health Information Needs of the Elderly), the Medicare Advocacy Project (MAP) housed in the Greater Boston Legal Services, Action for Boston Community Development (ABCD) and AARP. Still, Medicare Part D had a critical learning curve for everyone. Because its complex design requires a keen knowledge for those assisting in enrollment, volunteers sometimes present the same information during the initial rollout. These issues are mostly gone, as those involved in the program have become more knowledgeable with its particulars.

The report concludes Medicare Part D will continue to present challenges for beneficiaries, who will deal each year with changing drug costs, formularies and plan options, forcing many to continually change plans.

Community assistance in terms of outreach, enrollment and troubleshooting will remain a critical lifeline in helping seniors make the best decisions.

“There is still much work to be done to ensure that beneficiaries receive the needed prescriptions, that they are not overburdened by the high out-of-pocket costs required, and that those remaining individuals who are eligible but not receiving benefits are enrolled,” said Cindy Parks Thomas, senior scientist at the Schneider Institute for Health Policy at the Heller School, who presented a policy brief during last week’s forum.

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