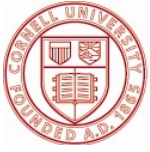


# MEDICARE PART D RESEARCH FACTS

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Cornell University  
College of Human Ecology

**CURxED**

**Cornell University Resource Education  
for Medicare Part D**

## **PART D FACT**

In a recent survey, 29% of community Pharmacists felt that Part D has had a positive impact on their business. Curiously, an equal number, 29%, said that the impact has been negative.

## **BENEFICIARY CHALLENGES**

Adding a prescription drug benefit to Medicare was long overdue when Part D was implemented on January 1, 2006. As we enter the fourth year of coverage under this program, it might be prudent to take a moment to review the challenges faced by beneficiaries who are enrolled or have considered enrolling in this program.

Part D is essentially a privatization of the public sector of traditional Medicare health insurance plus a prescription drug benefit. Unfortunately, many feel that the intention to include private health insurance companies has led to too many choices, too many layers of complexity, and the need for beneficiaries to consult family, friends, counselors, insurance agents, or even attorneys to determine the plan which best suits their needs.

Once enrolled, there remains the daunting task of dealing with the financial implications of one's choice, such as copayments, the deductible, the donut hole, and non-formulary medications, in addition to the monthly premium. While most enrollees are realizing savings on their drug costs, especially in this era of highly innovative but expensive medications coupled with exorbitant profits in the pharmaceutical and insurance industries, there is a tendency to lose perspective on the non-financial burdens to beneficiaries.

All initiates to Part D must first learn about the program itself, including the rules of enrollment, late enrollment penalty, and annual plan lock-in. They must learn about low-income subsidy programs and

eligibility rules to determine if they are qualified. It is also necessary for beneficiaries to understand the differences between a stand alone prescription drug plan (PDP) and the various options available with the Medicare Advantage plans (MA-PD).

Then, in what seems to be the biggest challenge, beneficiaries must compare the features of the plans that are available within a given region, including formularies, pharmacy networks, coverage parameters, and the rules that apply to coverage limitations. Once a choice has been made, a beneficiary must enroll with the plan, and, if eligible for a low income subsidy, enroll with Social Security or a state Medicaid office.

Ongoing, there is a need to track total and out-of-pocket drug spending. For some, there may also be a need to coordinate Part D coverage with other sources of prescription drug coverage, including the additional layers of a pharmaceutical assistance program or a state pharmacy assistance program. Changing medical conditions and drug regimens during the year add new wrinkles to be considered.

And, just when it seems to be all under control, the plan year ends, and the process needs to be revisited all over again.



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