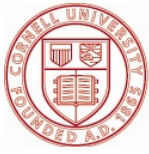


MEDICARE PART D RESEARCH FACTS

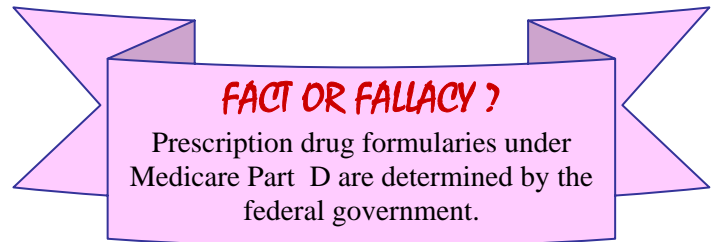
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Cornell University
College of Human Ecology

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Cornell University Resource Education
for Medicare Part D



COVERAGE CONFUSION

Medicare beneficiaries have experienced substantial improvement in their access to medication as a result of Part D legislation. Opposed to this success, however, physicians are experiencing an increased administrative burden because of variations in plan formularies. Doctors are finding it difficult to discern which medications are covered and affordable.

Currently, clinicians must check the Part D plan for each drug and each patient to determine formulary coverage. This is not practical, especially for those without electronic prescribing capabilities.

A recent study examined the status of 75 different drugs, from 8 commonly used medication classes, on 72 different plan formularies. Coverage for all drugs across all formularies averaged 69%. Some medications were covered on only 7% of formularies while others were included on 100% of them.

Generic medications are more likely to be covered than brand name drugs. Of the generic medications studied, 90% were included on formularies, on average. The average formulary coverage for brand name medications was 33%.

Although there is significant variability among the Part D formularies, most treatment classes have at least one drug that is covered by all or nearly all of the plans at a low co-payment. Identifying these medications, however, can be somewhat elusive.

This high amount of variability and mystery often makes it difficult for a prescriber to efficiently determine formulary status in a given situation. Limiting drug benefits or standardizing formularies have been suggested as ways to make identifying formulary medications less complicated for prescribers. Both methods would reduce competition among plans, however.

Alternatively, making it known which drugs are most popularly covered on formularies might ease the burden for prescribers. At the same time, this might possibly stimulate competition. A drug manufacturer might consider lowering the price of a medication if it would become labeled as more widely covered and therefore increase its market share.

Until such reforms are instituted, beneficiaries would be wise to check their plan formulary to ensure that the most cost effective medication in that therapeutic class has been prescribed. Clinicians should be aware that more frequently, although not always, generic medications are generally more widely covered.



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