

MEDICARE PART D RESEARCH FACTS

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for Medicare Part D

PART D FACT

CMS reported that in 2007, 31.7% of beneficiaries reached the coverage gap threshold but about two-thirds were unaffected either because of eligibility for the LIS or because they had enrolled in a plan with gap coverage.

A DOUBLE EDGED SWORD

Medicare Part D has provided a great opportunity for people with expensive drug regimens and high out-of-pocket expenses to get coverage to help with the cost of their medications. Diabetic patients, already burdened with the cost of medications for blood glucose control, often require additional medications to control the complications of this disease, such as high blood pressure and high cholesterol, for example.

In a recent study of Medicare Advantage beneficiaries with diabetes, 26% reached the coverage gap before the end of plan year 2006. In a separate study looking at all beneficiaries of a Medicare Advantage Plan, including those with and without diabetes, it was found that only 8% reached the coverage gap in the same year.

The study focusing on diabetic Part D beneficiaries also found that those who did not enter the coverage gap had maintained more stable drug expenditures throughout the course of the year. Those who did reach the coverage gap, and had higher overall drug expenditures, decreased their overall total medication expenses towards the end of the year as their personal out-of-pocket expenses increased.

One possible explanation for this disparity in drug spending over the course of the year might be worsened adherence to medication regimens as patients are faced with more and more out-of-pocket expenses. In fact, a study from 2007

suggests that the costs of the coverage gap does impact medication adherence. Looking at patient adherence to medications, it was found that 20% of the 3.4 million Medicare Part D enrollees who reached the coverage gap either stopped taking a medication, reduced their medication use, or switched to a different drug.

The extent, if any, to which the coverage gap effects medication adherence is always of concern to healthcare professionals. Patients with poorer adherence may potentially face worsened health status including more cardiac adverse events, more hospitalizations, and an increase in the use of emergency services.

On average, diabetics tend to have relatively higher drug expenditures. The Part D program has been a welcome relief to this financial burden, but only to a certain extent for diabetic patients: a disproportionate share may be more likely to enter the Part D coverage gap.

Some projections estimate that by 2016 out-of-pocket expenses will rise to \$6000 before a patient realizes the benefits of catastrophic coverage. The potential negative impact of the coverage gap on medication adherence is large and it seems that diabetics may be even more vulnerable than other beneficiaries.



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