



CUR_xED

Cornell University Resource Education for Medicare Part D

INFORMING CHOICES

THE CASE

A very analytical person, JM likes to look at things from every angle possible before making a decision. Each year during the Medicare Part D annual enrollment period, he carefully inputs his medication regimen into the web-based planfinder on medicare.gov and reviews his prescription insurance options. He makes sure that his regimen is up to date and carefully reviews the features and offerings from each of the insurers.

During the recent open enrollment period, JM felt that there was something ‘missing’ in his plan selection process. He went through all the motions, did all the ‘right’ things, selected a plan, and enrolled in the plan that gave him the lowest annual cost, but still felt like there could have been something ‘more.’

One concept which JM has been slowly coming to realize recently is that Part D is an insurance program, not a subsidization program. Many folks, including himself, he rationalizes, look at Medicare Part D as a program to subsidize, or underwrite the cost of current medications. Instead, he reasons, Part D needs to be conceptualized as an insurance program – a program which protects from future loss at the occurrence of uncertain or unknown risk.

In this regard, prescription drug insurance should be used to protect from the unrecognized future expense of medication costs due to unexpected future medical conditions. Utilizing the program to potentially subsidize current costs is an additional benefit, but there should be other considerations when selecting a plan.

To improve his ability to compare prescription drug insurance plans, JM would like to have some information about each company’s performance evaluations and customer satisfaction ratings. He is aware of the 5-star ratings that are posted on the plan finder but would like to have more detailed and specific information.

JM draws some comparisons to his automobile and homeowner insurance experiences. He thinks it would be helpful to have information regarding problems encountered at the Pharmacy getting coverage for a new medication, the potential for overturning a plan’s coverage determination, the ability to obtain information from the insurer, and so forth.

WHAT WOULD YOU DO?

Part D Trivia Question

Insulin is

- A. Over the counter
- B. Covered under Part D
- C. Both A and B
- D. None of the above

THE STUDY

During the fall open enrollment period in 2006, CMS began to make performance measures available on the plan finder. Initially a three star rating system was used. Now plans are given one to five stars, based on performance, for each rating factor. The performance factors are shown as a broad summary set of measures but with further searching, individual measures can also be found on the plan finder. These are also shown as a five star rating system.

None of these measures are based on plan reported data. All information is collected by CMS and is based on either surveys or internal CMS tracking systems. Not on the plan finder, but found at a separate CMS web page, more complete numerical data is available to demonstrate plan performance ratings. This can be found by clicking on the link labeled “Part D Medicare Plan Ratings Data (2008 - 2009)” located at: http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/06_PerformanceData.asp#TopOfPage

This data helps to remove some ambiguity created by a rating system of simple stars, but still lacks important elements which might be of interest or importance to beneficiaries. Missing information might shed insight on the influence that a certain factor might have on potential outcomes. Also, there are no obvious benchmarks which would establish a minimal quality performance expectation for any of the measures.

Of considerable interest, but missing, is information regarding generic dispensing rates and data about requests for prior authorizations, exceptions, and appeals as well as the outcomes of those requests. Beneficiaries and their counselors could make significant use of this information to make informed choices.

Likewise, information regarding the number of medications on a plan’s formulary and the number of medications subject to restrictions would also be useful but is not readily available from CMS. It may be obtained by checking the website for each of the plans, a tedious and time consuming task.

Availability of information about formulary coverage would provide an indicator of the generosity of the plan. The more drugs that a plan covers, then the more likely it is that a beneficiary would have prescription coverage in the event of an unforeseen future medical event. Likewise, fewer medications with formulary restrictions placed on them might indicate easier access to medications in a time of unexpected need.

Part D Trivia Answer

Insulin is an over the counter medication. Coverage of over the counter medications is generally excluded under Part D. However, insulin and medical supplies associated with the delivery of insulin are specifically described under legislation as Part D covered drugs. **Insulin is over the counter and is covered under Part D.**

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