

# CASE STUDIES IN PART D

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Cornell University  
College of Human Ecology  
Cornell Cooperative Extension

## CUR<sub>x</sub>ED

### Cornell University Resource Education for Medicare Part D

#### KEEPING UP WITH CHANGE

##### THE CASE

ST has limited income and very few resources. He has no family with whom he maintains contact or relations. He has worked in several unskilled jobs over the years, mostly in the food service industry.

After his wife passed away six years ago, ST moved to live in a small room in a boarding house with several other elderly gentlemen. To deal with these changes in his life, and a short term personal illness, he needed more time off than his employer could provide. ST was forced to “retire” and ever since, he has been unable to find any willing employers. He is now 74 years old.

Prior to 2006, ST qualified for his state Medicaid program and received prescription medications through Medicaid. Medicare remained his provider for his other medical services. Under the Medicare drug benefit, ST has qualified for reduced cost-sharing and is exempt from a premium payment.

Each year since the inception of Part D, ST has been automatically enrolled in a benchmark plan based on a random assignment. Each year, ST has been placed into a different plan with a different company. He doesn't quite understand why, but is happy to have medication costs covered.

ST is in relatively good general health for his age but has many minor ailments for which he takes several prescription medications. He has high cholesterol, gastric acid reflux, slightly elevated blood pressure, and occasionally experiences arthritic pains in his knees.

During the first year of Part D, ST was unable to get coverage for the proton pump inhibitor that he had been using to treat his gastric reflux symptoms. He paid for it out of pocket but often went without it because of the expense.

In 2007, his gastric reflux medication was covered but the statin medication used to treat his high cholesterol was changed to a different medication “by the insurance company.” The cholesterol medication was changed back to the original medication in the following year, but his arthritis medication was changed to an alternative at the same time. He states that the medication used to treat his high blood pressure, an ACE inhibitor, has been changed three times, including a requirement to change to a generic medication at one time.

With each change in medication, there is usually a change in the dosage strength and often a change in the frequency which ST must take it. This is very confusing for ST. With all of the changes, he often forgets when to take his medication and many times he misses doses.

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#### WHAT WOULD YOU DO?

##### Part D Trivia Question

What percentage of Medicare beneficiaries enrolled in a Part D plan report an understanding of the Medicare Part D coverage gap?

- A. 10%
- B. 28%
- C. 39%
- D. 62%

## THE STUDY

Part D plan sponsors may change the composition of their formularies each year. The current plan might become more restrictive, or, alternatively, a competing plan might become more attractive to the needs of the beneficiary.

Additionally, when plans submit their bids to CMS, it is unknown if that plan will have a premium that is low enough to qualify it as a benchmark plan. That status is not determined until after a review of all of the plan proposals. While the trends thus far suggest that formulary composition remains relatively consistent among plans with benchmark status, the number of plans that are available into which eligible beneficiaries are auto-enrolled is declining each year.

One recent study examined formulary considerations and enrollment levels of all Part D plans, both benchmark plans and plans not eligible for full premium subsidy, from 2006 through 2008. The analysis tracked the coverage of 152 medications commonly prescribed to seniors.

Over this time period, there has been a decrease in the number of drugs not on formulary and there has been an increase in the number of drugs available without restriction. This good news for beneficiaries is tempered by evidence which suggests that beneficiaries are not using the open enrollment period to re-evaluate plan offerings. This is notable, and of concern, for subsidized beneficiaries who are automatically enrolled in a benchmark plan based on random assignment.

Beneficiaries cannot, and should not, assume that their formulary coverage will remain consistent from year to year with the same plan. They need to review Part D options that are available on an annual basis and enroll in the most appropriate plan based on the person's current medication regimen.

Formulary design must meet certain requirements that are proscribed by CMS. This helps to ensure coverage for beneficiaries in all therapeutic areas and at the same time allows enough differences in plan offerings to make some plans appear richer than others when based on individual needs. While benchmark status helps plans to attain certain enrollment levels each year, the auto-enrollment process does not always provide the flexibility needed to meet individual coverage needs.

ST needs to be encouraged to visit with a Part D counselor each year during the open enrollment period to determine if the plan to which he is assigned is most appropriate for him. In the future, when ST has difficulty with the coverage of his medications during the year, he might consider using a Special Enrollment Period specifically available to dual-eligible individuals. This SEP allows an individual to enroll in, or disenroll from, a Part D plan as long as he is receiving Medicaid benefits.

### Part D Trivia Answer

According to a recent survey, 28% of Part D enrollees do not understand the coverage gap at all or even know it exists in their coverage. Another 62% do not fully understand how it works, suggesting that only **10%** of surveyed beneficiaries understand this coverage limitation. Of those who have actually reached the gap, 39% report an understanding based on the information received from the plan.

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