

CASE STUDIES IN PART D

Volume 1 Number 2



CUR_xED

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for Medicare Part D
COLLEGE OF HUMAN ECOLOGY

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THE CASE

JL was recently diagnosed with a stomach ailment known as Gastroesophageal Reflux Disease, or GERD, and has been prescribed a medication called Protonix. She takes one 40mg tablet daily and must pay the full price, \$114.88, for a one month supply.

She has a Medicare Part D prescription insurance plan and does not understand why her plan is not covering any of the cost for this medication. JL is 68 years old and lives in Plattsburgh, New York. The annual coordinated election period (November 15th-December 31st) has started and JL wants to reconsider her plan options in order to optimize her drug coverage.

JL also takes:

Metoclopramide 10mg four times a day for gastritis
Levothyroxine 0.1mg daily for hypothyroidism
Hydrochlorothiazide 50mg daily for hypertension
Paroxetine 20mg daily for depression

The premium for JL's current plan is \$22.60 per month. All of her medications, other than the Protonix, are covered by the plan after she has met the standard deductible of \$265 and after she reaches the catastrophic limit.

WHAT WOULD YOU DO?

Part D Trivia Question

What percentage of beneficiaries enrolling in Part D have found the medicare.gov website to be helpful?

- A. 4%
- B. 7%
- C. 78%
- D. 86%

THE STUDY

All of the medications in JL's original regimen are Tier 1 medications, which are covered to the maximum extent allowed by her plan. JL's current plan classifies Protonix as a non-formulary drug, meaning that it will not cover this medication.

Protonix is in a class of medications called proton pump inhibitors, which also includes Prilosec, Prevacid, Nexium, and Aciphex. Plans negotiate drug prices with manufacturers and each plan has its own set of prices for medications. Less expensive drugs within a drug class are provided with a preferred formulary status.

JL's plan would prefer to have beneficiaries use omeprazole, the generic version of Prilosec. As an incentive to encourage this, the plan makes omeprazole available for \$7.38 per month. Through competitive buying, it also has available brand name Prevacid as a preferred brand for \$24.60 per month.

In the situation where JL's doctor insists that Protonix is the only medication which will be of benefit, or JL is intolerant of the alternatives, JL has two other options. The first option is to request an exception from her plan. Requesting an exception can be done at any time during the plan year.

The second option is to change to a plan that will preferentially cover Protonix as the proton pump inhibitor of choice. Another plan may obtain better pricing for Protonix than the other proton pump inhibitors. Changing to another insurance plan can be done only during an enrollment period.

JL discovers that there is another plan which has a comparable premium of \$23.50 per month and it provides coverage of Protonix at \$28.39 per month. Her annual costs for all of her medications will be reduced from \$2023 per year to \$988 per year, realizing her a net savings of \$1035 per year!

MONTHLY COSTS OF PROTON PUMP INHIBITORS

Protonix as non formulary drug in current plan	\$114.88
Omeprazole as preferred generic in current plan	7.38
Prevacid as preferred brand in current plan	24.60
Protonix in another Part D plan	28.39

Part D Trivia Answer

In a NORC/Georgetown University survey of beneficiaries conducted for MedPAC in February and March of 2006 only **7%** of beneficiaries used the medicare.gov website and found it to be helpful. The website was **not** used by 86% of beneficiaries.

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This material is based upon work supported by a grant from the Dean of the College of Human Ecology and Smith Lever funds from the Cooperative State Research, Education, and Extension Service, U.S. Department of Agriculture. Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.