

# Sickest patients still struggle under new Medicare Part D benefit

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A recent study finds that the advantages of the new Medicare Part D drug benefit—a program that for the first time offers Medicare recipients prescription drug coverage—are mixed. On the one hand, both healthy and sick beneficiaries are now less likely to cut back on basic necessities (e.g., food) in order to pay for medicine. However, the sickest patients, who typically have high drug expenditures, are still skipping medications for financial reasons—despite the new benefit.

The study, which appears in the April 23 issue of the *Journal of the American Medical Association (JAMA)*, was based at the Department of Ambulatory Care and Prevention at Harvard Medical School and Harvard Pilgrim Health Care.

“We’re seeing encouraging signs of relief, but the problem of unmanageable drug costs has by no means been eliminated,” says Harvard Medical School instructor and lead author Dr. Jeanne Madden. “Medicare Part D is a work in progress, and more needs to be done to ensure that very sick individuals get the drugs they need.”

This is the first nationwide study to examine the effect of the Medicare Part D drug benefit on financial hardship since the benefit took effect in January 2006. The new benefit represented the largest expansion of the Medicare program since enactment in 1965. Over half of Medicare beneficiaries enrolled in Part D, which was intended to increase access to needed medications, especially among the poor and chronically ill. About 10 percent of beneficiaries still have no drug coverage. Other

reports have estimated that about 30% of beneficiaries had no drug coverage prior to Part D.

The investigators examined survey responses from 24,234 Medicare enrollees who participated in the Medicare Current Beneficiary Survey from 2004 through 2006. Over 72 percent of the beneficiaries had two chronic illnesses or more. The Centers for Medicare and Medicaid Services conducts this national survey to collect detailed information on health and health care experiences.

The study found that the rate of skipping pills and prescriptions due to cost declined from 14.1% of beneficiaries in 2005 to 11.5% in 2006. Spending less on basic needs to afford medicine declined from 11.1% to 7.6% over the same period.

But the sickest patients, who skipped pills at about twice the rate of healthier patients in 2004 and 2005, experienced no improvements in pill-skipping after Part D began in 2006, even though they were less likely to cut back on basic necessities to pay for medicine after Part D.

Previous studies have shown that Medicare beneficiaries in poor health with high out-of-pocket drug expenses have considerable difficulty paying for medications and often take less medicine than directed or don't fill prescriptions. Skipping pills can lead to preventable and costly hospitalizations. Sicker beneficiaries are also more likely to encounter the coverage gap, sometimes called the "doughnut hole," a peculiar feature of the Part D benefit. During 2006, once a beneficiary's drug expenses reached \$2,250, they had to pay the full cost of their medications until their expenses hit \$5,100, at which point Medicare covered 95% of their drug expenses. (As of 2008 the gap is between \$2510 and \$5726.)

"Plugging the doughnut hole is a first step to reduce pill-skipping among

the sickest patients,” says Harvard Medical School professor Stephen Soumerai, the principal investigator on the study. “Such coverage gaps cut off access to life-saving drugs. The new administration should also work harder to enroll the three to four million people who are eligible for low-cost coverage but are still without coverage, and also examine whether out-of-pocket spending under Part D is just too high for chronically ill people with extensive medication needs.”

Source: Harvard Medical School

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