

Lower hispanic participation in Medicare drug benefit may point to barriers

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Hispanic seniors are 35 percent less likely to have prescription drug coverage despite the existence of the Medicare Prescription Drug Plan – also known as Part D – and the availability of assistance to help pay insurance premiums. That is the finding of a study released today in the journal *Health Affairs*.

"These results indicate that disparities in [prescription drug coverage](#) exist between Hispanic and white Medicare beneficiaries, despite the existence of a potentially universal entitlement program," said Brian McGarry, a graduate student in the Department of Public Health Sciences at the University of Rochester School of Medicine and Dentistry. "This study suggests that, in spite of the overall success of the Part D program, future policies need to focus on the disproportionately low enrollment of vulnerable populations."

McGarry, Robert Strawderman, Sc.D., the chair of the University of Rochester Department of Biostatistics and Computational Biology, and Yue Li, Ph.D., an associate professor in the Department Public Health Sciences, co-authored the study.

Medicare Part D was implemented in 2006 to help make prescription drugs – and premiums for prescription drug insurance plans – more affordable to [seniors](#). While many seniors are automatically enrolled in Medicare Part A and Part B, which cover hospital and outpatient care, at age 65, they are often required to independently choose a drug benefit plan.

Seniors who receive both Medicare and Medicaid benefits are automatically assigned a drug plan. Seniors below a certain income threshold, but not receiving Medicaid, are eligible for subsidies to support drug coverage; however, they have to apply for these subsidies through a separate process.

If seniors do not choose a drug coverage plan, they are subject to financial penalties that increase the longer they wait to enroll. Previous studies have calculated that enrolling in Part D at the age of 65 is optimal for about 98 percent of Medicare beneficiaries, given the low premiums and penalties for late sign up.

Despite the financial incentive to enroll in drug coverage, the process itself can be a barrier to enrollment. Part D coverage was designed to be offered through private insurers. While the goal of this approach was to promote competition and lower cost, the result is an often bewildering list of coverage options. Depending upon where they live, seniors can be confronted with an average of 30 different drug coverage plans to choose from that offer a variety of premiums, co-pays, pharmacy restrictions, and specific list of drugs that are covered.

Navigating this complex process requires patience and health and financial "literacy," meaning the ability to understand the coverage options and conduct a cost-benefit analysis depending upon one's individual circumstances.

The researchers used 2011 data from the National Health and Aging Trends Study, a new and highly detailed source of data about Medicare beneficiaries which includes information on demographic characteristics, finances, and health. The researchers found that Hispanic seniors were 35 percent less likely than whites to have any form of drug coverage after controlling for demand for [prescription drugs](#) and ability to afford a plan. This is despite the fact that an estimated 65 percent of

Hispanics without coverage were eligible to receive premium support.

The general complexity of applying for premium subsidies and the financial skills required to accurately determine the value of drug coverage and choose from among a large number of plans may contribute to this phenomenon.

Furthermore, while coverage information is widely available in Spanish, the disparity in Part D enrollment could be indicative of a cultural disconnect or the shortcomings of outreach efforts to effectively educate and assist Hispanic seniors with these decisions. Similar challenges recently came to light as many states struggled to enroll Hispanics for health coverage under the Affordable Care Act.

With all that is known about the adverse health and economic effects associated with a lack of prescription [drug coverage](#), the authors point out that – with a rapidly growing population of Hispanic seniors – addressing this disparity is a critical public [health](#) priority.

Provided by University of Rochester Medical Center

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