THE IMPACT OF MEDICARE PART D:
PRESCRIPTION DRUG COVERAGE FOR SENIOR CITIZENS

A Thesis Proposal
Presented in Partial Fulfillment of the Requirements for
The Degree of Master of Education in the
Graduate School of Marietta College

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Adviser
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ABSTRACT

The Medicare Modernization Act (MMA) of 2003 enacted major changes in the Medicare Program for the first time in 30 years. Prescription drug assistance was offered for all Medicare beneficiaries. Temporary availability for prescription drug coverage under Medicare started in January 2004. This coverage was called Prescription Drug Assistance Program (PDAP) and extended to December 31, 2005. The permanent new coverage for 2006 is called Medicare Assistance Prescription Drug (MAPD) and is available under Medicare Part D. In this report, a random survey and interview was conducted with twelve Medicare beneficiaries that have already enrolled in a Medicare Part D drug card program. These participants include those of different gender, age levels and income status. Costs of medications prescribed are compared and their data is examined for beneficial results. This researcher served as a requested speaker at twelve different community functions to assist Medicare beneficiaries, caregivers, family members and other professionals in the understanding of Medicare Part D. Results of national, state and county enrollment statistics for this program will also be compared. The purpose of this study was to explore the benefits of this program and how some beneficiaries perceive it.
Chapter 1

INTRODUCTION

In the United States, today many senior citizens do not take their prescribed medication because they cannot afford the monthly prescription cost. Most low-income seniors are not able to balance increasing costs for groceries, utilities and medication with their monthly social security income. Which one would you eliminate? In January 2006, they started to receive some relief with a new benefit called Medicare Part D.

For the first time in history Medicare is offering assistance for prescription medication for its beneficiaries. This program offers low-income subsidy assistance to those individuals with incomes that range within 150% of the federal poverty level including assets of no more than $11,500 per person. About one-third of the seniors in this country will qualify for some type of assistance through this program (Graham, 2005). The rest of the senior population is able to purchase Part D for a monthly premium. The program is so overwhelming and complex that supporters are spending millions to explain it and convince seniors to sign up (Graham, 2005).

Medicare Part D is entirely voluntary and it is offered to those beneficiaries that are enrolled or will be entitled to enroll in Medicare Part A or B. Medicare enrollment is available to individuals at the age of 65, people under 65 with certain disabilities and anyone with End-Stage Renal Disease.

The program includes a monthly premium and a yearly deductible of $250. After the deductible is met, Medicare pays 75% of prescription costs while the beneficiary pays 25% up to $2,250. The beneficiary is responsible to pay 100% of prescription cost from $2,250 to $5,100 or $3,600 total out of pocket expense (TROOP), plus the monthly premium costs. This stage is labeled the “doughnut hole” or coverage gap.
After a beneficiary reaches the TROOP stage total, Medicare will pay 95% towards prescription costs and the beneficiary pays 5% for the rest of the year (Catastrophic Stage). The program will start over in January each year.

Eligible individuals can sign up for Medicare Part D by selecting a Prescription Drug Program (PDP). Medicare has contracted with several private companies for different card programs. The number of card programs varies in each state. For example, West Virginia has 29 card programs available, but there are a total of 52 different plans. Card programs also vary in offering both national and local coverage at various pharmacies. The monthly premiums for the cards in WV range from $10.14 to $58.41. California offers a $0 monthly premium on one card program.

Each card program is allowed to offer up to ten tiers of extra benefits. For example, a beneficiary could purchase extra coverage for generic medication at a co-pay for $10.00 to help with medications cost while in the “doughnut hole” stage. The monthly premium for this extra coverage would be more expensive than the standard coverage advertised. One card program offers six different plans with different monthly premium costs and benefits.

Medications covered under each card program also vary. Each card program is required to offer a drug list (formulary). Formularies must include at least two drugs from each United States Pharmacopeia (USP) category and class, if two exist. The USP includes 146 different categories for medical diagnoses. Each drug card program must offer a sufficient selection of categories and classes for Medicare approval. Selecting a card to cover medications prescribed is important for each individual beneficiary. A husband may need to apply for one drug card program, while his wife may need another one to cover her medications.
Medicare has required for all drug card programs to include all drugs of six drug classes on their formularies. They are: anti neoplastics, anti HIV/AIDS drugs, immunosuppressants, anti psychotics, anti depressants and anti convulsants. Benzodiazepines and barbiturates are medications that are not approved by Medicare. They are therefore, not offered on any of the drug card programs at a reduced price.

Most drug card programs encourage their recipients to use generic medication brands if available and some of them require step therapy from medical physicians before the approval of brand name medication administration. The drug card programs can also change medications covered on formulary list at any time. They are required to inform the enrollees of these changes sixty days in advance, if they are on any of these medications.

Social Security mailed out nineteen million applications to those individuals who may qualify for the low-income subsidy assistance. The applications are computer scanned and letters are being returned to those individuals concerning their status of receiving assistance with the monthly premium, deductible medication co-pay, and “doughnut hole” stage. They have divided this population into three income levels. Assistance is to be provided according to what level each individual qualifies for. Medicare-Medicaid (dual-eligible) participants and those beneficiaries that receive assistance from the state in paying their Medicare Part B premiums such as Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) and Qualified Individual (Q1) automatically qualify and Medicare has enrolled some of these beneficiaries in a plan, without knowledge of their medications.

Initial enrollment period for this program started in November 15, 2005 thru May 15, 2006. Those individuals that enrolled between November 15 - December 31, 2005 were entitled to
start the program January 1, 2006. Anyone enrolled after this date is able to start the program on the first day of the next month after enrolling. Card programs are permitted to be exchanged one time this year and this is offered only during the initial enrollment period. Annual enrollment for the following years will be available from November 15 thru December 31.

Medicare Part D is voluntary, but there is a 1% penalty for those that do not sign up during the initial enrollment period if they do not possess insurance prescription coverage, or present coverage that is not as good (“creditable”) as what is being offered through Medicare. Some individuals have prescription coverage through retirement packages, the Veterans Administration, Railroad Retirement, or have purchased prescription coverage through a supplemental policy. This 1% penalty will be accrued monthly and added to the monthly premium upon effective date of enrollment, for the rest of their coverage.

Beneficiaries are responsible to enroll in a card that covers all of their prescribed medications and is accepted at the pharmacy of their choice. Drug program cards can be changed only during annual enrollment periods in the future, if needed. It is recommended that enrollees select cards that cover many common medications, in case their prescribed medications change during the year. Medical physicians are also encouraged to prescribe medications that are included on the individual’s drug card program formulary list.

The program does allow for special enrollment circumstances. These include; beneficiaries that move to a region with different plans, anyone entering or leaving a nursing facility, and loss of creditable coverage by previous insurance plan. Dual-eligibles, QMB, SLMB, and Q1 beneficiaries have a continuous open election period and can switch plans as much as once a month, if needed.
Medicare has developed a computer-based tool to assistance enrollees in selecting a card to fit their needs. This program is available on the Medicare Website at www.medicare.gov. Assistance in selecting individual cards is also provided by call 1-800-MEDICARE and they have increased employees and call centers to assist enrollees. Enrollees will receive a mailed package of the top three most inexpensive programs that were selected for them from the computer tool, according to data they supply to Medicare. This data will include Medicare number, date of enrollment, birth date, current medications and dosage, pharmacy/pharmacies of choice and zip code. The beneficiary then has to review the information, select a card program and enroll in that program.

On October 1, 2005 card program sponsors began marketing their various card programs. They are permitted to contact beneficiaries by phone and through the mail. Advertisement for these programs are presently on television, radio, in newspaper and magazine ads, pamphlets, in pharmacies, community centers and so on.

Program Summary

This researcher is currently working as a SHIP (Senior Health Insurance Programs) Counselor at Wood County Senior Citizens, a non-profit agency. State SHIP Programs are provided by grants for each county to provide assistance with health insurance needs for senior citizens. Medicare is relying heavily on these programs to assist seniors in understanding this program and provide unbiased information. Sponsors of these Medicare Prescription Card Programs are aggressively advertising their programs. I receive many calls daily from confused beneficiaries, caregivers and agencies concerning this program.
Statement of the Problem

The goal of Medicare Part D is to provide prescription assistance to those who need it most, but the program itself is very complicated to interpret. A computer Internet program provides knowledgeable assistance. Most seniors do not have computers or know how to use them. Enrollees have to select a card that will provide prescription assistance for their medical condition, at their pharmacy, and one that they can afford. Assistance in understanding this program is limited. Many beneficiaries are not able to understand this program and will rely on other resources to assist them in making an appropriate decision.

Limitations of the Study

Medicare Part D is a new program and the only research available at this time is concerning the contents of the program, financial predictions and personal opinions. Periodical information is available on enrollment statistics and progress of program since enrollment started. Individual reports from beneficiaries that have enrolled in the program since November 15, 2005 will be included in this research. Results of the effectiveness of the program will continue to unfold in the future.
Definition of Terms

MA – Medicare Modernization Act

PDAP – Prescription Drug Assistance Program

TROOP – total out of pocket expenses

“doughnut hole” or coverage gap – this is the stage where there is not coverage for prescribed medications. This is reached after the beneficiary reaches a total of $2,250 in medications, including their deductible. They are in this stage until they pay $3,600 more or a total of $5,100 in TROOP. Premium is deducted monthly during the entire year, even during this stage.

Catastrophic stage – This is the next stage where Medicare picks up 95% of medication costs for the rest of the year, after the beneficiary reaches the $5,100 in TROOP

PDP – Prescription Drug Program

formulary – drug list

USP – United States Pharmacopeia

QMB – Qualified Medicare Beneficiary – these individuals qualify for the states Medicaid program to pay their Medicare Part B monthly premium of $88.50. This recipient also receives a monthly Medicaid card that supplements to Medicare for most medical expenses, excluding prescription medication costs. Qualifications are based on income and personal assets.

SLMB – Specified Low Income Medicare Beneficiary – these individuals qualify for the state Medicaid Program to pay their monthly Medicare Part B premium of $88.50. Qualifications are based on income and personal assets.
Q1 – Qualifying Individual – these individuals qualify for the state Medicaid Program to pay their Medicare Part B premium of $88.50. Qualifications are based on income and personal assets.

“creditable” – this term is used in determining whether a beneficiary already has prescription coverage that is creditable or just as good as, the benefits available in Medicare Part D. If their coverage is creditable, they do not have to apply for the Medicare Part D Program and will not be receive the 1% monthly penalty, if their present coverage changes later.

benzodiazepines – a class of medication, commonly known as tranquilizers and sleeping pills. They are prescribed mostly for anxiety and insomnia. The most common prescribed benzodiazepines are known as: xanax, ativan, valium, clonazepam, temazepam and halcion. The medications are not approved by Medicare and therefore are not covered under the Medicare Part D Program.

Barbiturates – a class of medication, commonly know as sedatives or hypnotics. They are generally prescribed for sleeplessness, anxiety and tension. The most commonly prescribed are arnobarbital, pentobarbital, Phenobarbital, secobarbital and a combination of arnobarbital-secobarbital. These medications are not approved by Medicare and therefore are not covered under the Medicare Part D Program.
This researcher located many resources available on Medicare Part D. Internet websites including Medicare, Social Security, Department of Health and Human Resources and Centers for Medicare and Medicaid Services (CMS) were very informative and promoted this program. Other articles located focused on opinions and some concentrated on cost predictions. This program is nationwide and its impact for prescribed medication coverage will affect both present and future senior citizens.

“How is this program so complicated?” “Couldn’t they have come up with a simpler plan?” These are common questions that most seniors and many professionals are asking. This researcher questioned Medicare staff and was told that these modifications were made in order to fill the many individual needs. The reason for multiple drug card programs is to promote competition for low monthly premiums and medication costs.

President Clinton’s reform package for Medicare Part D was not as complicated. The benefit would have no deductible and would pay for half of the beneficiary’s drug costs up to $2000 in 2002. This benefit would extend to $5000 in 2008 when the benefit is fully phased in. The monthly premium for the benefit would be $24 beginning in 2002 and would rise to $44 per month by 2008 (AFCME, 1999). The national monthly premium average for the new Part D is $32.20 in 2006.

In a 60 Minutes segment televised on March 14, 2004 Representative Dan Burton from Indiana said, “Seniors, when they find out what’s in that bill, are gonna be very angry. The problem is, they’re not gonna find out about it until after this next election.”
Medicare covers 42 million people, including 35.4 million seniors and 6.3 million disabled people under age 65. In 2003, total outpatient prescription drug spending for Medicare beneficiaries (including out-of-pocket spending) amounted to $95 billion and averaged about $2,300 per beneficiary (Vitale, Zorn, 2005).

Life expectancy at birth today is 73.8 years for a male and 79.5 years for a female. One of the factors contributing to the increase in life expectancies is advancement in medical science. (National Center for Policy Analysis, 2005). Medical expenses tend to rise each year due to costs of new treatments and the medications prescribed for them.

Many senior citizens in this country have multiple medical diagnoses and require prescription medication to maintain stabilization or improve their present condition. Medications are also prescribed for preventive reasons, such as regulating blood pressure and blood sugar levels. Most medical conditions increase with age; therefore assistance with prescription medication is critical for this population.

Selecting a drug card program requires some knowledge of the program itself. Many senior citizens need assistance in obtaining a card that covers all of their medications, is available at their pharmacy and at a monthly premium that is within their budget.

Millions of seniors have suddenly become fair game for hundreds of aggressive prescription drug benefit organizations that are aiming to capture the lion’s share of the Medicare Part D market (Peck, 2005).
This program is estimated to cost $31 billion dollars a year and the drug benefit companies believe that a hefty piece of the action will almost certainly guarantee big-buck profits (Peck, 2005).

Many seniors have to rely on families and caregivers for assistance. Others may seek information from their medical physicians and local pharmacists. “We’re expecting a major onslaught” of seniors seeking guidance about the program, said Earl Ettienne of the CVS drugstore chain “We’re going to accept all of the plans,” though the chain will have special ties to plans offered by certain insurers, including Aetna and United Health (Graham, 2005).

The most important aspect is that seniors obtain accurate and unbiased information, so they are able to choose individual plans based on his or her needs. Medicare recommends calling 1-800 MEDICARE or contacting state or local SHIP Programs in their most recent yearly manual, (Medicare and You 2006).

How many seniors will sign up for the plan is another concern and how will enrollment numbers effect the money already spent for the cost of the program and its advertising. Will the monthly premiums and medication prescription costs increase or decrease with enrollment size? How will these results affect taxpayers?

In November 2003, the Congressional Budget Office (CBO) estimated that the Medicare Modernization Act would result in additional direct spending totaling about $395 billion between 2004-2014. CBO recently updated its baseline projections for all federal programs. That change added about $6 billion to the projected cost of the Part D Program over the 2004-2013 period, raising it from $552 billion to $558 billion. (Holtz-Eakin, 2005).
The first phase of the Medicare Modernization Act included a different program called the Prescription Drug Assistance Program (PDAP). This was available in 2004 and 2005, and it offered discounts on some medications. This program also included a yearly benefit of $600 transitional assistance for those individuals who earned $12,569 or $16,682 for couples towards prescribed medications. This program was offered to those seniors without any prescription coverage.

The big news was that millions of senior citizens did not enroll in this program (Peck, 2005).

Purpose of Research

The purpose of this study is to investigate the complexity of the Medicare Part D Program and what effect it will have on providing prescription medication coverage for senior citizens. The study includes time of prior enrollment and during the initial enrollment period of the program. This researcher has personally assisted many beneficiaries in this process in a professional environment and continues to educate others on this program. Individual cases are compared and open-ended questions have been provided to offer a voice to senior citizens and their families on how they perceive this program. Medicare Part D was created to provide prescription assistance to senior citizens. Statistical results on enrollment and those that benefit will be discussed.
Chapter 3

METHODS

This researcher has provided a grounded theory application to include the voices of individual Medicare beneficiaries who are enrolled in a Medicare Part D prescription card program of both genders with different prescription medications and financial circumstances. A mixed method application has also been applied for data comparison.

This researcher has explored the impact of Medicare Part D in the lives of some beneficiaries and their various circumstances. Working as a WV SHIP Counselor for Wood County, this researcher has received hands-on experience daily with this program through phone calls, walk-ins and by providing one-hour individual counseling appointments to over 700 people since November 15, 2005.

Job duties included attendance at various trainings, teleconferences, and daily e-mail updates on the program. Conferring with national and state agencies, such as: Medicare, Center for Medicare and Medicaid Services, Social Security, Department of Health and Human Resources, and WV Bureau of Senior Services is necessary. On the local level this researcher works with hospital personnel, medical physicians, pharmacists, Area Agency on Aging, senior living facilities, mental health agencies, Consumer Credit Bureau, churches, Alzheimer’s Association, caseworkers, families, caregivers, friends, beneficiaries and so on, as a consultant.

This researcher has attended many functions as a professional speaker at both state and local levels in the education of Medicare Part D. Group attendances have ranged from 7-82 at various places. Attendees have included professionals, families, caregivers and beneficiaries.
Scheduling one-hour individual counseling appointments to beneficiaries in narrowing down card programs that fit the individual needs has helped to maintain order in providing assistance. This is done by Internet access to the Medicare website: www.medicare.gov. Medicare provides a tool search that includes information on each individual, upon entering their Medicare number and various other data, including medications and pharmacy of choice. This program ultimately computes the card programs available for each individual according to their data. The card programs are listed in yearly expenses starting with the most economical. The recommended top three or more are reviewed with each client, based on request.

Beneficiaries have the option to choose their own card program according to their medications prescribed, preferred pharmacy and financial circumstances. They can go home and review the material before making a decision. Included in this information are the name, address and toll free telephone number of each program. They can request more information from the card programs, and enroll by phone or mail. Assistance in enrolling on-line is also provided, if requested.

The program is complicated for most people to comprehend without assistance. Many appointments also include families, friends and/or caregivers upon request of beneficiaries. This researcher has provided training for other professionals on how to assist their clients/patients by using this search tool. Many people in the community have also volunteered to learn the program to assist others. This researcher has gratefully received assistance from two volunteers on a regular basis.

It was difficult for this researcher to narrow down the overwhelming data for so many individuals in an un-biased manner with this knowledge and experience. A random
survey and interview assisted in completing this research paper. The survey included questions on beneficiaries’ understanding of the program, what they think of it, how it has impacted them financially and changes recommended. Interviews were conducted following the completion of the survey.

Participants

The participants included in this study were individual Medicare beneficiaries that had already enrolled in Medicare Part D. This researcher approached three groups of senior citizens while attending separate activities at the Wood County Senior Citizens Center. Twelve people volunteered to complete survey and interview out of forty-six individuals present. The variables of enrollment, gender, marital status and age were random and not pre-selected.

Procedures

Researcher received permission to use the Wood County Senior Center as a site for research paper. It was familiar to the individuals interviewed. Researcher also obtained written permission from volunteers included in survey and interview.

Encouragement was given to each participant to answer the questions truthfully and that his or her own personal opinions and/or experiences were important. Each participant was given a number from one through twelve to protect their confidentiality.

Interviews were conducted individually on completion of survey. Survey questions were reviewed and discussed with researcher. Survey consisted of eight questions, some of them including parts a, b and c pertaining to the individual answers. Questions varied in content from a five-point Likert scale to yes/no answers, while others
were open-ended questions. Survey was initiated in large bold print to assist those with eyesight problems/disabilities.

Copy of Survey

Research Project
Medicare Part D – Prescription Drug Assistance Program
Random Volunteer Survey of enrolled participants

Time of Interview:
Date:
Place:
Interviewer:
Interviewee:
Position of Interviewee:

Recipient

Male          Female

Single       Married       Caregiver/family

Beneficiary’s Age: under 65 years
                 65-70
                 70-75
                 75 –80
                 80 years and older

1. a. Medicare Part D was created to help Medicare Beneficiaries with prescribed medication costs.

Beneficiaries with prescribed medication costs.

_____________ do you strongly agree?
_____________ do you agree?
_____________ are you undecided?
_____________ do you disagree?
2. Some people have difficulty in understanding the components of Medicare Part D.

___________ do you strongly agree?
___________ do you agree?
___________ are you undecided?
___________ do you disagree?
___________ do you strongly disagree?

b. Please explain your response in more detail.

3. a. Assistance in understanding and in enrollment for Medicare Part D is offered through various resources: Such as calling 1-800-Medicare, state SHIP Programs, community resources, various drug card programs and so on. Have you sought assistance?

Yes
   No

b. Whom or where did you seek assistance from?

c. Do you feel that this assistance helped you to understand the program better?

Yes
   No
4.  a. How would you rate your understanding of the Medicare Part D program now?
               ____________ completely understand
               ____________ understand
               ____________ partially understand
               ____________ understand very little
               ____________ do not understand at all

               b. If you are still having problems understanding the program, please explain why.

5.  a. Did you qualify for low-income-assistance?
               Yes
               No

               b. If you did qualify for this low-income-assistance, were you automatically enrolled in a drug card program by Medicare?
               Yes
               No

6.  a. Are you or will you be saving money on your prescription costs on the Medicare Part D Program, (prior to what you had last year)?
               Yes
               No
b. Approximately, how much will you be saving monthly?

7. a. Have you had any problems since enrollment?
   
   Yes
   No

   b. If you have, what type of problems have you had?

8. If you could change anything on the Medicare Part D Drug Program, what would you like to see changed?

Limitations of Study

The limitations of the study included only a small local sampling population of Medicare beneficiaries experiencing this change at a national level. Participants in this survey and interview were independently able to participate medically, physically and mentally. They were not homebound or in a nursing home and they did not suffer from some sort of mental disability, such as dementia or Alzheimer’s disease.

Further limitations of study is the individual complexity of medications prescribed
for those beneficiaries possessing different or more severe medical diagnoses.

Some participants had difficulty in expressing their opinions with open-ended answers. They chose to state very little or leave this section blank.
Chapter 4

RESULTS

This researcher used both qualitative and quantitative data obtained from the survey. A grounded theory research design was combined with a mixed method application to compare data results.

The results of the study varied in gender, status and age as indicated by the use of the SPSS computer program graphs below. A number was assigned for each answer, for example: 1.00 for female and 2.00 for male participants. Questions with yes/no answers were assigned: 1.00 for yes and 2.00 for no. The questions containing a Likert scale were assigned up to five numbers.

Four of the twelve participants were male and eight were female.

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Single status included eight participants with four that were of married status.

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Two individuals were under the age of 65 years old, four people from the 65-70 age range, two from 70-75, one from 75-80 and three participants were 80 years and older.
Responses to questions also varied. Eight participants agreed that Medicare Part D was created to help Medicare Beneficiaries with prescribed medication costs. Four individuals strongly agreed, four agreed and four were undecided. No one responded to disagree or strongly disagree.

Seven participants responded to this question in detail:

Participant #2 stated, “Saved $2200 a year”

Participant #5 stated, “Don’t understand it at all”

Participant #7 stated, “Don’t know, haven’t used it enough”

Participant #8 stated, “Doesn’t start till April 1 for me”

Participant #9 stated, “It helps for some medications, in others it does not”

Participant #10 stated, “It has saved my husband and me money that we don’t have”
Participant #11 stated, “The principle of the law is good, the execution of the plan stinks”

Eight participants strongly agreed and four agreed that some people have difficulty in understanding the components of Medicare Part D.

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Ten participants sought assistance in understanding and enrollment in Medicare Part D. Two participants stated that they did not seek assistance.

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<th>Assistance</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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<td>Total</td>
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Six of the participants stated that they received assistance from this researcher. Two participants sought help from their pharmacist. One participant called Medicare and the other participant received assistance from an insurance company.

Out of the ten participants that sought assistance, eight of these participants felt that this assistance helped them to understand the program better. Two participants did not feel that the assistance made a difference in their understanding of Medicare Part D.
All twelve participants rated their present understanding of the Medicare Part D program with or without assistance received. One person admitted to complete understanding. Two participants felt that they could understand it. Five agreed to partially understand; three participants felt they understood very little and one person still felt that they did not understand the program at all.

Only four participants attempted to explain why they were still having problems understanding the program. Their responses are as follows:

Participant #5 stated, “It’s confusing”

Participant #6 stated, “Too complicated”

Participant #7 stated, “I haven’t used it enough”

Participant #9 stated, “Just don’t understand it”

Five of the twelve participants qualified and received the low-income subsidy assistance. They do not have to meet the $250 deductible and they do not have to pay a monthly premium, unless they choose one over $32.20. Their medications will not exceed more than $5.00 for brand name medications or $3.00 for generic medications.
Medicare automatically enrolled three of these participants in a drug card program.

### Automatically enrolled by Medicare

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<td>Total</td>
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Nine of the participants agreed that they would be saving money on their prescription medication costs on the Medicare Part D Program, prior to the coverage they had last year.

### Savings

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<tr>
<td>Total</td>
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Participant #1 stated a savings of approximately, “$2200 a year in prescription costs”

Participant #2 stated a savings of approximately, “$2000 a year in prescription costs”

Participant #3 stated a savings of approximately, “$100 a month in prescription costs”

Participant #4 stated a savings of approximately, “$33.00 a month in prescription costs”

Participant #5 stated, “None”

Participant #6 stated, “I don’t know yet”

Participant #7 stated, “I don’t know”

Participant #8 stated a savings of approximately “$100 a month”

Participant #9 stated, “None, prescription costs will be more”

Participant #10 stated, “A lot of money every month”
Participant #11 stated, “Unknown”

Participant #12 stated, “I don’t know”

Participants #2, #5, #6, #10 and #12 all qualified for low-income subsidy assistance. Two of these participants agreed they would save money on prescription medications. Two were unsure of savings amount. The participant that said none, was a dual-eligible beneficiary and these benefits do not change.

Participants #1, #3, #4, #7, #8, #9 and #11 did not qualify for the low-income subsidy assistance. They have to pay a monthly premium, $250 deductible (if they selected a card program with a deductible), and 25% of card program retail cost for prescription medication up to $2,250.

Four of these participants agreed that they will save on prescription costs on the Medicare Part D program. The costs varied with each individual, due to medications prescribed and card programs selected. Two participants were unsure if they would be saving any money. One participant felt that this program was going to cost her more money, because she was no longer eligible to receive medication assistance from indigent programs sponsored by the pharmaceutical companies.

Nine of the participants have not encountered any problems with the drug card programs or in obtaining their prescription medications at their pharmacies since enrollment. Three of the participants have experienced problems:

Participant #9 stated, “I was enrolled by completing a drug card program application on-line in December 2005.” This participant never received his card. Drug card program was contacted by phone in January. Drug card program representatives had no record of on-line enrollment. Participant was told that he would have to resubmit
another application and that he would not be eligible to use the program until the following month, which was February.

Participant #11 stated that the “medication prescription prices quoted in December have already increased since January” Drug card programs were not supposed to increase medication prices until April 1, 2006.

Participant #12 stated “Medicare automatically enrolled me in a drug card program without knowing the medications I was taking.” Participation had to request assistance for this problem. This participant qualified for the low-income subsidy assistance. Participant was enrolled in another card program that covered prescribed medications, but was unable to obtain needed medications at pharmacy because of costs.

The last question was open-ended and it requested personal opinions of changes they would like to see made on Medicare Part D. Those responses are as follows:

Participant #1 – no response
Participant #2 stated, “Don’t pay anything”
Participant #3 stated, “No premium”
Participant #4 stated, “Nothing, happy with it”
Participant #5 stated, “Explained better”
Participant #6 stated, “Too complicated”
Participant #7 stated, “Don’t know, cause I’m not fully aware of what it is”
Participant #8 stated, “Too have a simple program that seniors can understand”
Participant #9 stated “Nothing”
Participant #10 stated. “Make it simpler, where a person can understand”
Participant #11 stated. “Every citizen should have a set price for the medicine. No one should have to pay deductibles. No one can explain your cost, whether it is from actual price you pay or it is the original cost of the medicines.”

Participant #12 stated, “Too much information, difficult to understand”

**Summary of Results**

The survey included both male and female beneficiaries of each age category. Care/givers and family members were not necessary for participants that volunteered. Five participants qualified for the low-income subsidy assistance and seven participants did not receive this assistance. These factors helped to signify differences in medical diagnoses, medications prescribed and prescription costs with each individual. This range of sample population assisted this survey with measures of variability that were significant for most of the questions in the survey.

The majority of the participants’ answers were positive reactions towards the purpose of the Medicare Part D Program to help with prescription medication costs. This was also verified by the nine participants that agreed they would be saving money on prescription costs on the Medicare Part D Program, compared to last year.

This signified a positive correlation towards the goal of the program and financial assistance received with medication costs. Only six of these participants were able to acknowledge actual savings amount.

Three of the twelve participants have experienced problems since enrollment. Medicare automatically enrolled three participants in a drug card program, and one of these participants reported enrollment problems.
All of the participants agreed that the program was difficult for most people to understand. Most of them sought assistance and the majority felt that the assistance helped them. This signifies a positive correlation with a mixed method approach in assistance being provided.

The next question was significantly different in the reliability of the participants’ present understanding of the program. This signified that there was no correlation and that it is valid, in concluding that Medicare Part D is complicated and difficult to understand for seniors, even with assistance provided. The qualitative and quantitative data collected both verified this validity.

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Chapter 5

CONCLUSION

The qualitative and quantitative date collected from this small sample population are both significant in that most of the participants agree that the program is helping them with their prescribed medications costs and that the program is complicated and difficult for them to understand.

The impact of Medicare Part D will affect many lives in different ways. For some beneficiaries it will provide assistance with obtaining medication they could not otherwise afford. For others it may prove a change in previous assistance through pharmaceutical programs or various insurance benefits. The percentage of assistance provided will also vary, according to the medications prescribed and covered under the program for each individual.

Medicare Part D national enrollment statistics are increasing with “380,000 Medicare beneficiaries signing up each week”, according to Health and Human Services Secretary Mike Leavitt “Over 27 million beneficiaries are now getting coverage and saving money on their prescription drugs. We are well on the way to achieving our goal of 28 to 30 million enrollees in the first year.” (HHS 2006)

The following statistics include overall prescription drug coverage figures from November 15, 2005- March 18, 2006: More than 6 million have enrolled in stand-alone drug plans, about 5.8 million have been automatically enrolled, 5.7 million received coverage through Medicare Advantage plans with drug coverage, more than 6.2 million.
retirees are enrolled in the Medicare retiree subsidy, 1.4 million retirees are in employer and union-sponsored coverage that incorporates or supplements Medicare group drug coverage and 3.5 million have federal retiree coverage.

The total enrollment statistics for West Virginia is 226,157 and 10,860 of these beneficiaries are from Wood County.

“The accelerating enrollment is in large measure due to the extraordinary efforts of our national and local partners across the country, who are helping with Medicare get their questions answered, enroll and start saving,” said Centers for Medicare & Medicaid Services Administrator Mark B. McClellan, M.D., Ph.D. (HHS 2006)

This researcher retrieved this information from a news release on the Department of Health and Human Services website. Medicare has also announced that they plan to have all of the dual-eligible, QMB, SLMB and Q1 beneficiaries automatically enrolled in a drug card program by May 1, 2006.

From a personal viewpoint, this researcher has attempted to assist seniors in understanding, enrolling and sorting out solutions to problems with the Medicare Part D Program since November 15, 2005. This researcher has spoken to many clients and has witnessed several emotional reactions, due to the stress of this complicated program. They have included: worrying, anxiety, confusion, crying, yelling and anger. This researcher encourages caregivers and family members to get involved and to assist their parents, grandparents and relatives through this transition.

Attempting to obtain assistance from the drug card programs has been a nightmare for most beneficiaries since January. Phone calls that were extended to holding times of four to six hours, are now down to thirty minutes or less. The program itself is
Medicare Part D

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complicated and the number of federal programs, agencies, drug card programs and people involved are just as complicated. Changes are being made constantly to add to more confusion and chaos. Drug card programs have been permitted to raise drug costs since April 1, 2006. Information that is quoted today may be incorrect next month.

This researcher is grateful for the prescription assistance this program has provided for senior citizens. This researcher also hopes that the program will become less complicated and easier to understand by the year this researcher turns 65.

There is one question that most seniors ask this researcher during counseling appointments. They all want to know, “the name of the guy who came up with this program.” Do you honestly think they will release the name or names of those involved in the congressional committee that this program originated from?

Giving a voice to a senior citizen participant in the study seems appropriate in summing up the Medicare Part D Program. “The principle of the law is good. The execution of the plan stinks.”
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