

Medicare drugs too costly for many, survey finds

One in five enrollees say they have put off or skipped buying prescriptions. Low-income seniors do not know that an additional government subsidy is available.

By Ricardo Alonso-Zaldivar, August 21, 2007

Washington -- Most seniors who lacked prescription coverage in past years now have it, thanks to the Medicare drug benefit, but in a survey released today one in five enrollees said they had put off or even skipped getting some medications because of the program's high costs.

The poll of more than 16,000 seniors, published online by the journal Health Affairs, is the closest thing to a "report card" on one of President Bush's few major domestic policy accomplishments. The program, which began last year, was created by a Republican-led Congress and delivers prescription coverage through private insurance plans, charging an average monthly premium of about \$27.

Part of the reason so many beneficiaries are having difficulty paying for their medications is that many low-income seniors apparently do not know that they can get additional government subsidies to lower their costs, the survey indicated.

Democrats seized on the findings as evidence that the benefit is not working well for those who need it most: seniors who have several chronic illnesses and must take a number of medications.

"It's a system basically designed to create profits for private insurance plans," said Rep. Pete Stark (D-Fremont), chairman of the House Ways and Means subcommittee on health. "I don't want to see it repealed, but I want to see it repaired."

Researchers involved with the survey said the picture was mixed.

"It has helped in expanding coverage to people who didn't have it, and that is a great thing, but there is still work to be done in making medications more affordable for seniors," said Tricia Neuman of the nonpartisan Kaiser Family Foundation, one of three organizations that collaborated in the study.

Medicare officials had no initial comment.

The survey found that about 8% of seniors still had no coverage after the prescription plan went into effect in January 2006. But that figure was a dramatic improvement from the previous year, when one-third reported having to pay for their own medications.

"That's pretty positive for most beneficiaries," said John Rother, a top official of AARP,

the seniors' lobby.

Overall, about half of 44 million elderly and disabled Medicare beneficiaries were enrolled in the prescription program. The rest of those with drug coverage got their benefits from a former employer or through the Department of Veterans Affairs.

The survey found that seniors were becoming more savvy consumers, with one in four enrolled in the Medicare benefit saying they had switched to lower-cost generic drugs. Similarly, more seniors were mail-ordering 90-day supplies of their prescriptions at lower cost. The average Medicare recipient takes five medications.

But for a significant minority of seniors, being in the prescription plan was no guarantee that they could get medications.

Nearly 20% of those in the Medicare plan said they did not fill or delayed filling a prescription because of cost, compared with 8% of those with employer coverage and about 12% of those with VA coverage.

About 8% of those with Medicare coverage reported spending more than \$300 a month on medications, compared with about 5% each for those with employer and veterans coverage.

"I was somewhat surprised to see the disparities between [Medicare] plans and employer and VA coverage," said Neuman. "When you control for health status, income and other differences, the strong finding that employer plans provide better coverage than Medicare comes through loud and clear."

Some of the higher costs for those in Medicare plans appear to be because of the coverage gap in the benefit, designed to reduce the government's costs. The government and the beneficiary together pay for the first \$2,400 in drug expenses, but seniors alone are responsible for the next \$3,051.

But the survey estimated that as many as 4.7 million low-income seniors are eligible for additional government subsidies that would help with the coverage gap, but are not getting them. Some do not know such help is available, and others may find the application too cumbersome.

Democrats have proposed expanding the number of seniors eligible for such subsidies, a change AARP supports. But even without such revisions in the program, Rother said, Democrats and Republicans should be able to work together to make sure more of those currently eligible are getting help.

"Unfortunately, this is identified as a Republican initiative -- but it's a Democratic constituency being served, and a Democratic priority in terms of coverage for low-income seniors," he said. "I certainly hope people in Congress don't end up ignoring what needs to be done here."

The two other organizations that collaborated in the survey were the Commonwealth Fund, a private foundation in New York that studies health issues, and the Tufts-New England Medical Center, an academic medical institution in Boston. The poll has a margin of error of plus or minus 1 percentage point.