

NEWS RELEASE

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CONNECTICUT'S MEDICARE PART D PLANS VARY SHARPLY IN DRUG COVERAGE

Policy Brief Examines Available Plan Options Based on Three "Prototype" Medicare Beneficiaries

NEW BRITAIN – Connecticut's 44 available Medicare Part D drug plans vary sharply and randomly in the medications covered using the experience of three "prototype" Medicare Part D beneficiaries, according to the final of a three-part policy brief series released Thursday.

These random variations in the performance of Connecticut plans for the three prototypes has several policy implications for the state now that the Governor has signed a new "hold harmless" bill (House Bill 7702), which prevents Medicaid and ConnPACE beneficiaries from being worse off under Part D, according to Jeffrey Crowley, policy brief series co-author and Senior Research Scholar at Georgetown University's Health Policy Institute.

"The 44 plans available to all Connecticut Part D beneficiaries vary along multiple dimensions including, the premium, the deductible, co-payment obligations, the size of coverage gaps, the medications covered, prior authorization requirements, and pharmacy networks," he said. "As a result of these variations, total out-of-pocket costs for medications can differ as much as \$3,000 between the least costly plan and the most costly plan for a typical senior who uses six different medications."

This "prototype" senior with multiple health conditions uses six medications, which are the most frequently prescribed medications in ConnPACE, (the state's publicly-insured prescription drug program for seniors and people with disabilities), including medications to treat osteoporosis, high blood pressure, high cholesterol, arthritis and Gastroesophageal Reflux Disease (GERD). In cases where individuals are ineligible for the federal "Extra Help" or ConnPACE, the out-of-pocket costs for this prototype senior would range from \$3,181 for the lowest cost plan to \$6,056 in the most costly plan – a difference of \$2,875.

Out-of-pocket differences for the person with schizophrenia prototype range from \$3,590 to \$4,955, while the person with HIV/AIDS prototype could face costs ranging from \$4,716 to \$12,391, according to the policy brief entitled, "Medicare Modernization Act: An Early Look at Medicare Drug Plan Options for Connecticut's Medicare Beneficiaries."

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“In effect, the state has adopted ambitious plans to ensure that it – not individual ConnPACE beneficiaries and dual eligibles – will bear the burden of the shortcomings that are emerging in the new Medicare drug benefit. Therefore, the state has a strong fiscal interest in ensuring that all ConnPACE beneficiaries are enrolled in the best plan given their medications since the state will be liable for some out-of-pocket costs,” said Jocelyn Guyer, co-author and Senior Researcher at the Health Policy Institute. “Selecting the best plan for each individual’s medication needs is also very important. While the state has made a substantial commitment to providing outreach and technical assistance through the CHOICES program, it is unclear if these efforts will be sufficient.”

The state also faces an unknown, yet potentially large financial obligation because it plans to cover new out-of-pocket costs dual eligibles, who are automatically enrolled by the federal government in one of 11 average, low-cost cost premium or “benchmark” Part D plans, now that the drug program has gone into effect as of Jan. 1, 2006.

For each of the three prototypes considered in this study, a number of the benchmark plans to which dual eligibles will be randomly assigned (if they did not select a plan before Dec. 31, 2005) failed to cover key medications, she said.

“For a person with HIV/AIDS, the highest cost plan is nearly 16 times more expensive than the low cost plan,” Guyer said. “Driven largely by the plan’s failure to cover medications used by this prototype, it would cost the state close to \$5,000 if a person remained on a high cost plan and was unable to switch medications or secure coverage through the ‘exceptions’ process for off formulary drugs.”

In light of this substantial financial exposure, the state will try to help dual eligibles to switch to better plans through a voucher program, which provides a one-on-one Part D counseling session with a pharmacist.

While the state’s ambitious plan to address gaps in coverage expected to emerge for dual eligibles and ConnPACE beneficiaries under Part D should be lauded, said Crowley, other policy questions remain unanswered:

- Will the \$5 million the state has set aside to cover non-formulary drugs be adequate?
- What steps will beneficiaries have to take to secure coverage of non-formulary drugs?
- Are there circumstances under which the state will cover medications that are “on formulary” but subject to prior authorization requirements?
- Will concerns arise about the state playing such an active role in selecting a plan (under the new law the state will advise ConnPACE beneficiaries which plans are most cost-effective given their medication regimen)?
- What steps will be taken to ensure pharmacists are unbiased in the advice they provide dual eligibles (under the new law these beneficiaries who receive both Medicaid and Medicare will receive a \$12 voucher for an individual Part D counseling session with a pharmacist)?

Please contact Monette Goodrich, VP of Communications & Public Affairs, at monette@cthealth.org, for an **electronic version of the brief or to schedule an interview with co-authors Crowley and Guyer. All three briefs will be available on the foundations website – www.cthealth.org – next week.**

The Connecticut Health Foundation (CHF) is the state’s largest independent, non-profit grantmaking foundation dedicated to improving the health of the people of Connecticut through systemic change, program innovation and health policy analysis. Since it was established in July of 1999, CHF has awarded 265 grants in 35 cities and towns totaling close to \$21 million in three priority areas – children’s mental health, reducing racial and ethnic health disparities, and oral health.

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