WORKING HEALTHY
Making health care work

Policy Brief

UNIVERSITY OF KANSAS MEDICAID INFRASTRUCTURE CHANGE EVALUATION PROJECT

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WORKING HEALTHY & MEDICARE PART D:
Findings from participant surveys

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BACKGROUND

Medicare prescription drug coverage, known as Medicare Part D, was implemented nationally on January 1, 2006. At that time, all persons who were dually eligible for both Medicaid and Medicare were switched from Medicaid to Medicare for their prescription drug coverage. These dual eligibles did not have the option of waiving Part D and maintaining Medicaid for prescriptions. Because the great majority of enrollees in *Working Healthy* are dual eligibles, KU researchers were particularly concerned about how the new coverage might affect their ability to get needed drugs.

In 2005, KU researchers analyzed Medicaid drug utilization data for *Working Healthy* beneficiaries to ascertain specific problems they might encounter under Medicare Part D drug coverage (Hall, Moore, & Shireman, 2005). Findings from that study indicated that drug utilization patterns for *Working Healthy* participants are fundamentally different from those of seniors, who comprise the great majority of Medicare beneficiaries. These differing patterns, we predicted, would put *Working Healthy* enrollees at risk of:

- Not finding a Part D plan that covers needed drugs due to restrictive formularies;
- Higher co-pay obligations;
- High rates of needing prior authorization to access certain drugs; and
- Having less of a safety net if co-pays could not be met.

In February and March 2006, KU researchers developed and administered a telephone survey to assess the actual experiences of *Working Healthy* enrollees with Part D transition. The survey addressed information and access issues and gave participants the opportunity to share positive and negative feedback about Part D. A random sample of 600 dually-eligible *Working Healthy* participants was contacted and 328 persons completed the survey, for a response rate of 55%. Demographically, the survey respondents were similar to the larger *Working Healthy* population. An analysis of claims data for these individuals showed that mental illnesses were the predominant disability type experienced by the group (Hall, Kurth & Moore, in press).

TELEPHONE SURVEY FINDINGS

Access. Unfortunately, many of the predictions about the effects of Part D implementation on access to drugs were confirmed by the survey responses. In brief, researchers found that:

- Twenty-four percent of respondents had changed Part D plans. The number one reason for doing so (44% of those who changed) was that the assigned plan did not cover all needed medications.
- Twenty percent reported that co-pays were too high and 5% reported having to pay full price for medications not covered by their plans.
- Fourteen percent were required to get additional documentation in order to have their prescriptions filled; among these individuals, 47% reported waiting up to 60 days for the documentation.

- Twenty percent had difficulty getting one or more medications.
- Eight percent had completely stopped taking at least one medication subsequent to difficulty obtaining it through Part D. (Hall, Kurth & Moore, in press)

A similar survey conducted with Medicaid Buy-In participants in Maine showed results paralleling those in Kansas, demonstrating that the problems are not specific to our state (Gray, 2006).

Information needs. Eighty-one percent of respondents recalled having received a letter in the mail telling them the Part D plan to which they had been assigned. When asked their *preferred* method of receiving information about Part D, only 25.1% indicated mailed information, while 63.6% preferred some sort of personal interaction. Others preferred finding information on-line, on television, or through other media. Only half of the respondents were aware that, as full-benefit dual eligibles, they could switch Part D plans every month if needed. Seventy percent of respondents did not know how to appeal the denial of a prescription by a plan (Hall, Kurth & Moore, in press). Clearly, federal and state outreach about Part D needs to continue to increase participants' awareness of their options in selecting and changing plans and appealing denials. For the majority of *Working Healthy* enrollees, personal interaction is the preferred means of receiving Part D information.

Impact on work and *Working Healthy*. Hall, Moore and Shireman (2005) predicted that Part D coverage might decrease enrollment in Medicaid Buy-In programs like *Working Healthy.* The causes for the predicted decrease were two-fold: 1) difficulty obtaining medications might result in negative health outcomes and decreased ability to work and 2) Buy-In enrollees who pay a premium might find it more cost effective to disenroll once medications were available through Part D, or to work only at the level that keeps them eligible for Part D premium subsidies but not responsible for Buy-In premium payments.

Eight percent of respondents in Kansas had completely stopped taking at least one medication due to problems during Part D implementation.

Several portions of the telephone survey asked respondents to share any additional information or comments they had about their experiences transitioning to Medicare Part D. Numerous comments addressed the impact of Part D on work efforts and continued participation in *Working Healthy*, including the following:

- It [Part D] is very confusing and a lot of people don't know what's going on. I don't know what plan is best and it's very stressful, which affects my illness.
- Several days I had to miss work because I suffered withdrawal from a medication that I wasn't able to get.
- I had to cut my work hours back because I can't sleep as well and some of my depression symptoms are coming back; the pharmacy told me my plan doesn't cover some of my medications.
- I'm paying a $93.00 premium for *Working Healthy*, which only covers doctor visits for me now. It's a wonderful program, but why use it with Part D?

Other comments from the telephone survey. Participants shared a variety of stories and observations about their transition to Part D. Overall, about half of them reported positive impressions with the new coverage and half reported negative impressions. The prevailing theme among negative comments was that Part D is more confusing and complicated to use than Medicaid and that some drugs covered by Medicaid are not covered by Part D. Many individuals had difficulty with local pharmacies not accepting the plans to which they were assigned or the plan that best met their needs. Some of these comments included:

- It is going good now, but there were complications at the beginning.
- The new plan does not cover any of the medications that I've been taking for years and it's forcing me to go without medications because it's so expensive. I am in a bad position financially because of the new program and inability to get the needed medications.

> In the words of one person, "I'm paying a $93 premium for Working Healthy, which only covers doctors visits for me now. It's a wonderful program, but why use it with Part D?"

- I wish I could go back to Medicaid. Medicaid was much easier to use and the appeals process was easier. I am saving a little money with Part D.
- My local pharmacy only accepts Community Rx.

DISENROLLMENT SURVEYS

Enrollment in *Working Healthy* dropped in January 2006 for the first time since the program's inception in July 2002. At this writing, the dis-enrollment rate seems to have plateaued, but enrollment is still at a net loss. Given that at least one participant in the telephone survey had said they would drop *Working Healthy* because of Part D, project staff undertook two additional survey efforts to assess the impact of Part D implementation on dis-enrollment from *Working Healthy*. First, KU researchers mailed dis-enrollment surveys in May 2006 to all people who remained dis-enrolled for at least 2 months in 2006 (n=104). Two of the 28 respondents to the dis-enrollment survey indicated that their choice to disenroll from *Working Healthy* was related to transition to Part D.

In addition, *Working Healthy* Benefit Specialists contacted drop-outs via telephone in September 2006. Of the 94 people Benefits Specialists attempted to contact, 41% were reachable by telephone. Of these 39 individuals, four (10%) specifically stated that they left *Working Healthy* due to obtaining Part D coverage. These individuals did not see a reason to remain enrolled in - and in two cases pay a premium for - *Working Healthy* coverage when they had been utilizing Medicaid primarily to pay for their prescription drugs.

DISCUSSION

At this point in time, Medicare Part D is not meeting the needs of a substantial minority of participants in *Working Healthy*. Especially troubling was the finding that 20% of people were not able to get at least one medication. In the past, many *Working Healthy* participants--especially those with mental illnesses--have related how important access to medications is and their ability to work. They had enrolled in *Working Healthy*, at least in part, because of the more consistent access it provided to medications (Hall & Fox, 2004). It is similarly troubling that a full 8% of participants had stopped taking at least one medication because of difficulty obtaining the drug after Part D. Additional findings regarding access are detailed in Hall, Kurth & Moore, in press.

Implementation of Medicare Part D has been identified by some participants as the reason they chose to leave the *Working Healthy* program. For several, the decision was financial—why pay a premium for *Working Healthy* when Part D is available? Once out of *Working Healthy*, they may find they need to decrease work efforts to remain under the Part D low-income subsidy threshold. Still others indicated that access problems under Part D made working more difficult for them. Any of these situations illustrate how Part D implementation may serve, over time, to dilute the incentive to work or work more. Policymakers will need to consider these issues as they consider modifications to work incentive programs and Part D regulations.

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