GRANT MAKERS IN HEALTH

IMPLEMENTING THE Medicare Prescription Drug Benefit

On January 1, 2006, Medicare prescription drug coverage became available to the program's 43 million beneficiaries. To receive the coverage, however, beneficiaries must actively opt in to Medicare Part D by selecting a prescription drug plan (PDP). Seven and a half million dual eligibles, Medicare beneficiaries receiving drug coverage through Medicaid, were assigned to Medicare PDPs on January 1st . The new Medicare drug benefit also includes additional subsidies for beneficiaries with limited incomes, including dual eligibles; Medicare beneficiaries with Supplemental Security Income; and beneficiaries enrolled in the Medicare savings program, which provides assistance paying for Medicare Part B premiums. Other qualified low-income beneficiaries may also be eligible for this extra help, which includes premium and cost-sharing subsidies.

EARLY PROGRAM ENROLLMENT TRENDS

According to the Centers for Medicare and Medicaid Services (CMS), 15.9 million Medicare beneficiaries were enrolled in Medicare Part D as of February 2006, which includes 6.2 million dual eligibles. An additional 13.4 million beneficiaries must enroll in the program this year if CMS is to reach its 2006 target of 29.3 million (The Henry J. Kaiser Family Foundation 2006a).

MEDICARE PART D RESOURCES

- ***Medicare.gov*** is the government's primary resource for Medicare information. The Web site has tools to help beneficiaries find plans and compare features, such as drug formularies and premiums. It also has information about Medicare appeals, tips to identify scams and fraud, and information on the low-income subsidy.
- ***The Henry J. Kaiser Family Foundation*** tracks Medicare Part D enrollment trends, spending, and plan participation. Analyses of the latest data, fact sheets, and issue briefs are available on the foundation's Web site, www.kff.org.
- ***The National Council on the Aging*** sponsors www.MyMedicareMatters.org, a Web-based tool that helps beneficiaries assess their prescription drug coverage needs and select a PDP that best meets those needs.

Recent data also reveal that enrollment targets for the Part D subsidy have not been met. CMS estimates that 8.2 million beneficiaries are eligible for the low-income subsidy, excluding dual eligibles and others who automatically receive such assistance. As of January 2006, the Social Security Administration (SSA), which makes eligibility decisions, had received 4.4 million applications. Of the 4.1 million applications processed, SSA has deemed 1.4 million Medicare beneficiaries eligible for the subsidies (The Henry J. Kaiser Family Foundation 2006b).

IMPLEMENTATION ISSUES

Problems with implementing Part D have been widely covered in the popular press. Jim Firman, president and CEO of the National Council on the Aging, discussed three key implementation challenges at GIH's 2006 annual meeting. The first involves transitioning dual eligibles to Medicare Part D. A number of technical problems occurred during the transition, including insufficient data transmission between states, drug plans, and CMS; lack of information resources for beneficiaries and providers; and other administrative mistakes. As a result, beneficiaries and providers have reported long wait times when calling CMS, drug plans, or other agencies for enrollment assistance. In addition, some beneficiaries have reported not being able to get needed drugs. Twenty-six states have developed temporary programs to fill such gaps in drug coverage. Structural issues also occurred during the transition process (Firman 2006).

The second implementation challenge identified by Firman is the program's complexity, including the large number of PDPs beneficiaries have to choose from and reliance on the Internet, a tool most seniors are not familiar with, to access information. A recent survey from the Henry J. Kaiser Family Foundation found that 61 percent of Medicare beneficiaries do not feel well-equipped to make drug plan choices (The Henry J. Kaiser Family Foundation 2006c). Although CMS developed an Internet-based tool to compare drug plan benefit packages and staffed up Medicare hotlines, beneficiaries and those assisting them report that the plan selection process is confusing. In many locations, beneficiaries have more than 40 plans to choose from and it is almost impossible to compare plans without the aid of the Internet. Compounding this issue is the fact that almost 75 percent of seniors have never used the Internet for

information on Medicare or drug plans (Firman 2006).

The third implementation challenge is outreach to beneficiaries who may be eligible for the low-income subsidy. Most seniors do not think they are eligible for the Medicare subsidy. In fact, The Henry J. Kaiser Family Foundation reports that almost two-thirds of seniors do not think they are eligible (The Henry J. Kaiser Family Foundation 2006c). In addition, finding and connecting with beneficiaries likely to be eligible has been costly.

OPPORTUNITIES FOR GRANTMAKERS

Health grantmakers are well positioned to help beneficiaries get the information they need to make choices about Medicare PDPs. From supporting organizations that provide one-on-one counseling to working with state government, grantmakers can play an active role in helping Medicare work. Building on the foundation's role as a community convener, staff at the Winter Park Health Foundation in central Florida worked strategically with local partners to build a coalition dedicated to community outreach and education on Medicare Part D (Geller 2006). Capitalizing on its reputation, the foundation was able to draw a variety of organizations into its coalition, including local AARP chapters, the state's health insurance assistance program, county government, and area agencies on aging. The coalition's outreach activities included hosting Medicare fairs with trained counselors available to assist beneficiaries; providing information and referral services through the state's 2-1-1 and ElderHelp hotlines; conducting direct mailings; working with local media; and sponsoring events at churches, senior centers, and other venues.

The Michael Reese Health Trust is using its proactive grants program to develop a coordinated response to the challenges presented by Medicare Part D in Illinois (Lee 2006). Through the Make Medicare Work Coalition, the foundation – along with The Chicago Community Trust and the Retirement Research Foundation – funded key advocacy groups representing seniors and persons with disabilities. These advocacy groups work jointly to enhance advocacy, outreach, education, and enrollment. For example, resources for consumers and advocates were developed, including a Web site and printed materials. A speakers bureau was also created to help local organizations hosting health fairs and other events. In addition, the Make Medicare Work Coalition communicates policy analysis and implementation efforts through e-newsletters, listservs, and teleconferences to policymakers and other stakeholders. It also provides technical assistance to state agencies and the governor's staff on questions related to Medicare Part D and has hosted a legislator briefing on the impact of the new benefit on Illinois' medical programs, the state's budget, and its low-cost drug program.

With a grantmaking approach emphasizing health systems change, the Maine Health Access Foundation met with key state legislators throughout 2005 and offered assistance and resources to support the state's transition of dual eligibles and other qualified individuals from its low-cost drug program to Medicare. Foundation staff also worked with advocates and policymakers to design an outreach program to ensure that individuals enrolled in the state drug program would receive assistance once Medicare Part D became available in January 2006. The outreach strategy included proactively calling all Maine residents enrolled in the state drug plan and helping them select and enroll in Medicare drug plans that best met their individual needs, apply for the low-income Medicare subsidy, and apply for the Medicare Savings Program. Trained counselors help beneficiaries complete all necessary applications over the phone or in one-on-one counseling sessions at community-based organizations. During remarks at the GIH 2006 annual meeting, Kim Crichton of the Maine Health Access Foundation shared several lessons the foundation learned during its work on Medicare Part D, including meeting with a broad array of key stakeholders that understand the issue and actively soliciting different perspectives. She also stressed seeking consensus on a project the foundation can support, being patient but persistent and staying focused on the goal, and recognizing that important strategic opportunities will arise and maintain reserve funding to support them (Crichton 2006).

SOURCES

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