

MEDICARE PART D: CONTINUED HARDSHIPS FOR LOW-INCOME CALIFORNIANS

Ten months after its inception, low-income beneficiaries continue to face problems with enrolling and accessing necessary medications under Medicare Part D. Between April 15, 2006 and September 30, 2006 the Health Consumer Alliance (HCA) provided direct assistance to 652 low-income beneficiaries with Medicare Part D problems. The majority of consumers, almost sixty percent, contacted an HCC due to difficulty obtaining prescription drugs under Medicare Part D. Those problems are classified as service problems. The remaining forty percent contacted a Health Consumer Center (HCC) because of eligibility-related problems.

Service Problems for HCA Consumers

Consumers are unaware of how to obtain medications under Medicare Part D. Thirty five percent of HCA consumers with Medicare Part D service problems lacked the knowledge and information necessary to access prescription medication. Therefore, consumer education in Medicare Part D remains an essential need for low-income consumers.

Medications are unaffordable under Medicare Part D for many low-income individuals. Dual eligibles now have to pay co-payments for their medications, and many find the added burden impossible to afford. Twelve percent of HCA consumers with service problems reported that their co-payments under Medicare Part D were unaffordable. Many individuals have gone without food, are behind on utility bills or have not paid rent so that they could obtain their medications. Others who have been lucky enough to have family, friends or social service agencies available to help, have had to rely on them to provide additional money to cover these new expenses.

For other low-income Medicare beneficiaries who were not dual eligibles, one in ten reported that Medicare Part D was unaffordable due to the cost of premiums and the gap in coverage (called the “donut hole”).

Denial of prescription drugs remains a problem for 9% of Medicare beneficiaries with service problems. These consumers arrive at their pharmacies only to find that their prescription drug plans have denied their medications either because a drug was not on the formulary or because a plan requires prior authorization which has not been obtained or registered in the system. These denials present an access barrier for low-income individuals as most cannot afford to pay the full cost of their prescriptions out-of-pocket. Many with chronic conditions or

Lillian Baker is 79 years old. She makes \$832 a month and takes 33 medications. She has one hand, and uses a power wheelchair to be mobile. She has both Medicare and Medi-Cal.

Lillian cannot afford her \$1 or \$3 co-payments for her 33 medications. She asked her doctor and pharmacist to review her drug regimen but they confirmed that she needs all of these medications for her various health issues.

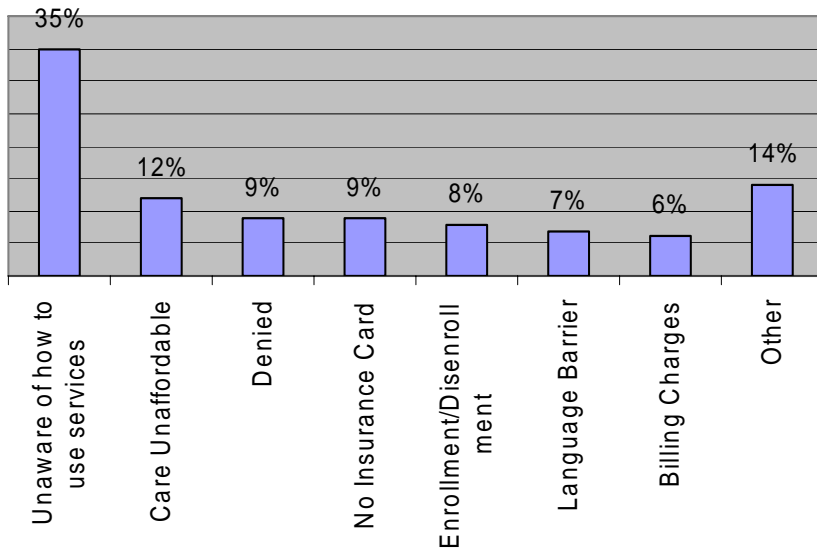
She is behind on paying her gas, telephone, and electric bill. She is also paying \$80 a month to pay for an \$850 repair to fix her wheelchair.

Lillian is afraid that she will have to go without food because she does not have enough money after paying for her medications and other living expenses.

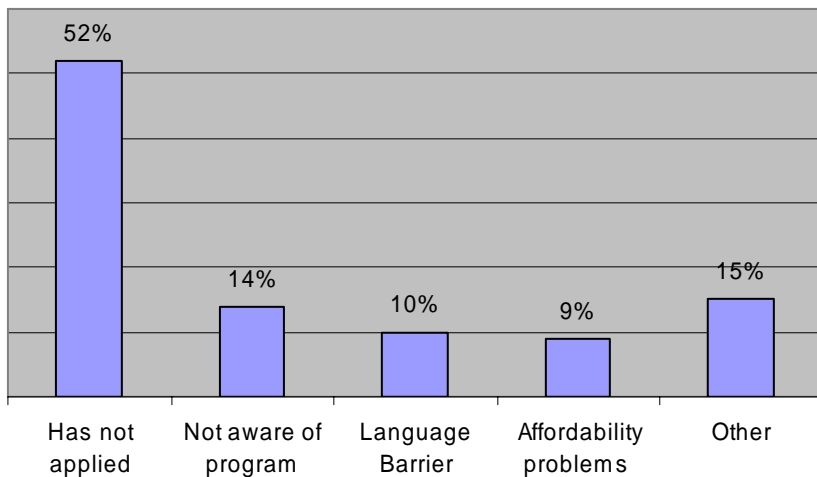


Medicare Part D By the Numbers:

Service Problems



Eligibility Problems



disabilities need the medication immediately to avoid more serious health problems, and many do not have the ability to quickly consult their physician to take the steps necessary to obtain prior authorization.

Many low-income beneficiaries are denied access to necessary medication because they **have not received a prescription drug plan membership card**. During this time period almost one in ten of HCA consumers with service problems could not access medications because they had not received a prescription drug card. Some of these individuals were newly dual eligible. Others had been enrolled in a Medicare Part D plan since January 2006 but had never received a card. Some pharmacies neglected to use safety net systems such as Well Point and California's emergency drug benefit program to provide medications to dual eligibles who had not received their PDP card.

Enrollment and disenrollment problems with Part D plans restricted access to medications for 8% of HCA consumers with service-related problems. In some instances, these problems occurred when a consumer switched from one plan to the other. In other instances, consumers were dropped from their plans due to a plan mistake, leaving them without coverage.

Consumers who are Limited-English Proficient have even more difficulty accessing needed medication as eight

percent of consumers with service-related problems indicated that there was a **language, cultural or racial barrier** to obtaining medications. When all Medicare Part D cases are combined almost one in five consumers experienced a language, cultural or racial barrier.

Low-income Medicare Part D beneficiaries continue to experience **billing problems** in six percent of service cases. Often, the Low Income Subsidy (LIS) does not appear in pharmacy or plan computer records causing plans to charge full premiums and pharmacies to demand higher prices for medications. Many consumers believe that they are unable to obtain medication without paying the erroneous bill or pay the bill and are forced to go without other necessities. In addition, a rising number of consumers are experiencing long

delays and difficulty in obtaining reimbursement from plans for prescriptions that should have been covered by the plan but which the consumer paid out of pocket for. For low-income individuals, these delays are especially difficult because of their limited resources.

The remaining 14% of individuals with Medicare Part D service problems experienced barriers due to a delay in receiving their medications; a reduction in services due to plans' quantity limits; or having to change to a medication that did not work as well for them; problems with customer service; unavailable care because nearby pharmacies were not in the plan network or because they had problems with the quality of care.

A dual eligible beneficiary who is 84 years old, speaks only Mandarin Chinese and lives on \$636 per month, called the local HCC in November through his English speaking daughter after he was told by the pharmacy he could not get his medications without paying very high costs. The beneficiary was supposed to be auto-enrolled into a Part D drug plan in July 2006, after his Medi-Cal drug coverage ended and he became Medicare eligible, but was not.

When the HCC counselor inquired of Medicare, she was told that the beneficiary was in the Blue Cross drug plan. However, when the beneficiary's daughter called the Blue Cross plan, the plan told her he was not in that plan. The HCC counselor had to call the beneficiary's pharmacy and walk the pharmacist through the process of enrolling the beneficiary in the Wellpoint drug plan, which is supposed to provide medications to dual eligible beneficiaries who do not yet have a drug plan. The elderly beneficiary was finally able to get his medications.

Eligibility Problems for HCA Consumers

The highest number of low-income consumers with eligibility problems contacted an HCC because they **had not applied** for Medicare Part D. These individuals had questions about how to apply for Medicare Part D, what plan to choose and questions about whether they should enroll in a Part D plan at all.

Another fourteen percent of consumers who contacted an HCC with an eligibility problem **were not aware** of either Medicare Part D or the LIS.

Many of these individuals spent months paying more for prescriptions than they needed to because they were not enrolled in LIS, causing further financial hardship. The remaining fifteen percent of consumers with eligibility problems experienced difficulty with: procedural problems with their application; delayed applications; terminations or proposed terminations from Medicare Part D.

These problems continue to impede access to essential and lifesaving medications for low-income beneficiaries under Medicare Part D. Unfortunately, as the end of the year approaches and plan sponsors have the ability to drop plans, many dual eligibles will be forced to change plans and search through new plan formularies to find a plan to meet their medical needs. Many of these individuals will be reassigned into new plans without consideration of their particular medication needs. In addition, all plans will be allowed to change their formularies or change the drugs that require prior authorization.

A Medicare beneficiary called the local HCC because he was unable to obtain prescribed medication under his Medicare Part D Prescription Drug Plan (PDP). The client is on dialysis for end-stage renal disease. In addition, he has colon and bone cancer. His PDP only authorized a limited amount of an antibiotic cocktail. This infusion medicine was discontinued from the plan formulary as of May 2006. HCC contacted the doctor to request the required form to allow the client's provider to exempt the client from the medication limitation. The PDP sent the form, but when the HCC counselor submitted the form he learned that the fax number for the PDP was inoperative. HCC was forced to again contact the PDP to obtain an alternative fax number. Although the PDP subsequently approved the exemption, the steps required to obtain the medication and the inaccurate information given by the PDP delayed access to necessary medication.



Health Consumer Alliance

The Health Consumer Alliance is a collaboration of nine local health consumer centers that cover thirteen counties and are home to over three-fifths of California's low-income residents. HCA offices cover both urban and rural counties providing a broad picture of the health care needs of individuals in different settings and systems. The local HCA offices are supported by two statewide support centers, the National Health Law Program and Western Center on Law and Poverty.

Fresno County

Fresno Health Consumer Center
Central California Legal Services
1999 Tuolumne Street, Suite 700
Fresno, CA 93721
(800) 300-1277

Imperial County

Health Consumer Center of Imperial Valley
California Rural Legal Assistance, Inc.
449 Broadway Avenue
El Centro, CA 92243
(800) 935-9288

Kern County

Kern Health Consumer Center
Greater Bakersfield Legal Assistance
615 California Avenue
Bakersfield, CA 93304
(800) 906-3982

Los Angeles County

Health Consumer Center of Los Angeles
Neighborhood Legal Services of Los Angeles
13327 Van Nuys Blvd.
Pacoima, CA 91331
(800) 896-3203

Orange County

Orange County Health Consumer Action
Center
Legal Aid Society of Orange County
2101 N. Tustin Avenue
Santa Ana, CA 92705
(800) 834-5001

Sacramento, El Dorado, Placer & Yolo Counties

Health Rights Hotline
Legal Services of Northern California
519 12th Street
Sacramento, CA 95814
(888) 354-4474

San Diego County

Consumer Center for Health Education & Advocacy
Legal Aid Society of San Diego
1475 Sixth Avenue, 4th Floor
San Diego, CA 92101
(877) 734-3258

San Francisco & Alameda Counties

Community Health Advocacy Project
Bay Area Legal Aid
50 Fell Street, 1st Floor
San Francisco, CA 94102
(415) 354-6360 for San Francisco and
(510) 250-5270 for Alameda

San Mateo County

Health Consumer Center of San Mateo County
Legal Aid Society of San Mateo
521 East Fifth Avenue
San Mateo, CA 94402
(800) 381-8898

Statewide Support

National Health Law Program
2639 South La Cienega Blvd.
Los Angeles, CA 90034
(310) 204-6010

Western Center on Law and Poverty
3701 Wilshire Blvd., Suite 208
Los Angeles, CA 90010
(213) 487-7211