

MEDICARE PART D ENROLLMENT PROBLEMS

MEMO – TESTIMONY in DALLAS, TX (2/18/10)

Fr: Ron Michael, Director – AAA of Texoma [Sherman, TX]
To: Abbe E. Lackmeyer – Miami University of Ohio
Date: February 18, 2010
Re: Written Testimony for 2:25 – 2:28 p.m. slot

Topic: Medicare Part D Enrollment Problems

First I would like to say that Medicare Part D has been a wonderful benefit to millions of seniors, some who no longer have to decide whether to purchase their medicine or food this month.

1. Part D Enrollment in our rural region of Texas – We are about an hour North of Dallas, TX near the Oklahoma border.
 - o 32,000 residents are 65 yrs. or older
 - o About half of these may be automatically enrolled by other health insurance plans (TriCare, Nursing Home residents etc.) or Medicaid.
 - o About 16,000 seniors would then need assistance enrolling in Medicare Part D
 - o Our AAA has 3 very qualified Benefits Counselor – one in each of our 3 counties. We had several volunteers assisting them this year. Working steadily, they assisted about 400 of our senior citizens sign up for a Prescription Drug Plan.
 - o Before the next enrollment period we will be training more community partners in how to help enroll seniors in their areas of influence.
 - o That means that at least 15,000 had no assistance in enrolling in a plan. (Did they even enroll in a plan?) This is in a small AAA in a rural area of Texas. If we had so many unenrolled here, how many have not been helped in the urban areas such as Dallas, Houston, San Antonio.

Possible Solution: Have Benefits Counselors train volunteers (AARP, Home Health Agencies' staff, AmeriCorps, RSVP volunteers to help out at Centralized locations (Workforce Solutions, public libraries, senior centers, and Area Agencies on Aging). We need to partner more.

2. Some seniors receiving Medicare Benefits do not even sign up for Medicare Part D because they are only taking 1 or 2 low cost medications. What they don't realize is that they face a mounting penalty for when they do sign up (and they don't even realize it).

Possible Solution: Don't charge a penalty. The longer a senior stays off of Medicare Part D – the less Medicare has to pay towards their prescriptions.

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3. Seniors don't realize how much the plans change each year and so they have a tendency to stay with their same plan. There are 50 plans to choose from in Texas. Last year there were 56. Some seniors have been placed in a plan, which may not be their best plan.
 - o When they stay with their plan, they don't realize the monthly payment may go from \$23/month to \$43/per month (a loss of income of \$240 per year).
 - o The pharmaceutical companies change their formulary and all of a sudden no longer carry a type of medication or it has changed tier levels and now costs more – putting the client in the gap even sooner.

Possible Solution: If a Prescription Drug Plan is going to raise a premium or change their formulary, or move medications to a different tier – they should be required to notify their client. If increases exceed 25%, the client should be allowed to enroll in another plan and un-enroll in the more expensive plan. PDP's will sometimes raise their premiums make other "financially advantageous (to them)" changes – after the enrollment period is over and the client is trapped in their plan for the coming year.

4. The enrollment period is from November 15th to December 31st each year. A month and a half sounds like sufficient time to choose a new plan or enroll in one for the first time.
 - o However, with all of the holidays and weekends in November and December – there are potentially 4 holidays and 11 weekend days, which takes out 15 working days.
 - o This means that there are only 30 days across the nation to schedule clients and enroll them in a plan.
 - o Each year, if a client cannot get in to see a Benefits Counselor until the end of December, they may not receive their new card until the end of January. This may mean that they will be out of their needed medications for almost a month.
 - o This also means that they will pay a premium to their old company and to their new company in the same month (There is a long process in getting that money back – most seniors will never go through that process and the companies keep that extra money from millions of clients each year).

Possible Solution: Change the Enrollment period **to begin the 1st of November**.

- Each year there is a new, "**favorite plan**" that seniors with a limited amount of prescription medications sign up for.
 - o That company receives so many applications that they can't keep up with them.

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- This causes delays in the clients receiving their cards and confusion as to how to get their medications that month.

Possible Solution: Have new plans begin the **1st of February** to allow time for Seniors to receive their new cards and time for the companies to process new applications.

5. Each year, seniors who have been receiving “extra help” through the Social Security Administration – lose their status because they don’t return a form in time or because they get so much junk mail they throw it away accidentally.
 - The only folks that are eligible for the extra help are low income seniors. For them to lose this status means that they will have to pay deductibles and higher copays – causing economic hardship and potentially they won’t be able to afford all of their medications. This could have a serious health impact on the client.
 - If they wait to renew their “extra help” status until late in the year, it will prohibit them from signing up in a plan until late in the enrollment period.
 - If someone helps them enroll online, they won’t get back a letter indicating their eligibility, but if they fill out and send in the application (hard copy) they will receive their eligibility letter to show to a Benefits Counselor during enrollment.

Possible Solution: Once a client has become eligible for “extra help” – establish their eligibility for 5 years. Especially, those on low, fixed income.

6. Each year Texas seniors receive a booklet entitled Medicare & You from CMS. On the back of each booklet is a notice saying, “This handbook has special information for Texas. SHIP for Texas – Health Information Counseling and Advocacy Program (HICAP) 1-800-252-9240.”
 - If a senior calls this number, they will be redirected to a Benefits Counselor within the same area code.
 - The problem with this is that an area code can cover 3 AAA regions and can route the client to a Benefits Counselor several counties away.

Possible Solution: Contract with 2-1-1 Texas Information & Referral Network to route that call. This will keep the call in the same region and the client can connect with a Benefits Counselor in their area.

Medicare can solve most of these problems by adapting enrollment and by changing the process. This is a very important program for our seniors and we need to do everything possible to make it more user friendly. (Contributor: Mr. James R. Dickson, Benefits Counselor – AAA of Texoma)

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If I could wish for a User Friendly Medicare Part D Program it would be this:

- Only one Prescription Drug Plan with one card for every senior
- No deciding which is the best plan out of 50 or 60 this year and the next, and
- HHSC purchasing and negotiating with the Pharmaceutical companies for medications at lower cost.
- This would save on personnel and would eliminate the enrollment problems listed above.