

VOICES OF BENEFICIARIES: ATTITUDES TOWARD MEDICARE PART D OPEN ENROLLMENT FOR 2008

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EXECUTIVE SUMMARY

This report, the fourth and final in a series from a project to monitor the experiences of 35 Medicare beneficiaries in the early years of the Medicare prescription drug benefit, provides an update on the views and experiences of a subgroup of these beneficiaries based on interviews conducted on the eve of the Part D open enrollment period for 2008. This final round of interviews was conducted by telephone during September and October 2007 with 23 participants in four cities (Baltimore, Sacramento, Lincoln, and Miami). We were unable to reach 11 participants, and one participant died in late 2006.

This report focuses specifically on the experiences of 17 interviewees enrolled in Part D plans in 2007 and their attitudes about the open enrollment season for 2008 in light of their experiences to date – specifically, their interest or intentions related to switching to a new Part D plan for 2008.

Based on these interviews, the following observations can be made:

- Study participants who are enrolled in Part D give their plans generally favorable ratings, but many also report problems or express concerns – some minor, others more significant – related to their drug coverage. Issues raised include unexpected increases in copayments and premiums, having to switch medications, and billing errors.
- Many participants worry about rising premiums and copayments for their drug coverage, along with concerns about increases in other costs for their medical care.
- Most participants say they do not intend to reassess their plan options for 2008; very few say they are even considering evaluating other Part D plans to see how they compare to their current plan. Most participants also express a general reluctance to switch plans, while some are more adamantly opposed to doing so. Participants offers various explanations for their attitudes:
 - Some participants are happy with their current Part D plan and say they do not see a reason to make a change.
 - Some participants see few distinctions among Part D plans, or fear they might be worse off if they switch plans, even if they are not entirely satisfied with their current plan.
 - Many participants recall the complex process of choosing a plan when they first enrolled in Part D for 2006, and would rather “make do” with what they have than revisit their decision.

Over the course of this project, knowledge about Part D has not increased appreciably among most participants. Many still say they are unaware of important details about the program such as the annual open enrollment period or the low-income subsidies, as well as about key features of their plans such as whether their plan has a coverage gap or how to resolve problems they may encounter along the way. Yet now that many of these beneficiaries are enrolled in a Part D plan, they seem content to stick with their current plan for the foreseeable future, rather than repeat the decision-making process in order to determine whether a different plan might offer better coverage for their needs. These attitudes suggest that many participants are likely to remain in their current plan for 2008 and beyond.

INTRODUCTION

This report, the fourth and final in a series from a project to monitor the experiences of 35 Medicare beneficiaries in the early years of the Medicare prescription drug benefit, provides an update on the views and experiences of a subgroup of these beneficiaries based on interviews conducted on the eve of the Part D open enrollment period for 2008. Of the 35 beneficiaries, 27 are enrolled in Part D plans, five have creditable drug coverage through their employer-sponsored retiree benefits plans, and three are not enrolled and have no creditable drug coverage. Most (19 of 27) of the participants in Part D plans are in a stand-alone prescription drug plan (PDP), while eight Part D enrollees are in a Medicare Advantage prescription drug (MA-PD) plan. Ten of the 27 Part D enrollees are enrolled in both Medicare and Medicaid (“dual eligibles”) and were assigned to stand-alone PDPs. This final round of interviews was conducted by telephone during September and October 2007 with 23 participants in four cities (Baltimore, Sacramento, Lincoln, and Miami). We were unable to reach 11 participants, and one participant died in late 2006.

This report focuses specifically on the experiences of 17 interviewees (including dual eligibles) enrolled in Part D plans in 2007 and their attitudes about the open enrollment season for 2008 in light of their experiences to date – specifically, their interest or intentions related to switching to a new Part D plan for 2008. The report also draws upon the insights and experiences of six interviewees without any source of drug coverage in 2007 or those with sources of creditable coverage outside of Part D.

SECTION 1: EXPERIENCES IN 2007

Study participants report few changes in 2007, in terms of their drug coverage or their out-of-pocket costs.

Most participants enrolled in a Part D plan in 2006 remained with the same plan in 2007. Most say they were sufficiently satisfied with their plan in 2006 to stay with the same plan in 2007, but a few participants did choose to switch. One participant in Baltimore decided to “upgrade” from one Medicare Advantage prescription drug plan to another offered by the same company with a higher monthly premium that had lower copayments for prescription drugs and doctor visits. A participant in Lincoln who takes some relatively expensive medications was advised by her nephew, a health insurance salesman, to “find a better plan” for 2007 after learning that her plan would no longer cover brand-name drugs in the coverage gap (the so-called “doughnut hole”). Notably, she is one of the few participants who says she intends to switch into a different plan for 2008 because her current plan is changing its benefits, and she is again facing the loss of gap coverage and higher out-of-pocket costs. Another Lincoln participant switched plans for 2007 because the copayment for one of her medications had increased more than threefold from the amount that she paid under that plan in 2006. A Baltimore participant said he switched plans in 2007 when his monthly Part D premium “jumped up.”

Most participants say they are currently able to manage their out-of-pocket drug expenses, but express concerns about rising drug costs overall as well as increases in their other medical care costs. During this round of interviews, none of the participants, whether enrolled in a Part D plan or not, reported going without needed medications due to financial strain. Many participants describe the costs associated with their Part D plans as “manageable” and “not a burden.” For one Miami

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*Part D enrollee,
Lincoln*

participant who currently does not have drug coverage, the amount she pays for her prescriptions causes a “crunch, [but] not a crisis.” Another participant in Sacramento who has drug coverage through his retiree plan says that the “costs may eat into [my] retirement a little, but it is still manageable.” However, it appears that many participants are also nearing a point where they fear their out-of-pocket costs could become a financial hardship. Says one in Lincoln, “Paying more each month would be hard. We live simple lives, on a fixed income. Our lives would change dramatically [if costs increased].” Getting by on annual cost of living increases to her Social Security payments, one participant in Baltimore expresses her concern about rising costs for medical care in the following way: “They are giving with one hand and taking back with another.”

Most participants reported a drop-off in marketing from Part D plans in 2007 compared to previous years (although marketing for 2008 was just getting underway when interviews were conducted), and say they generally pay little attention to the materials they receive from plans or from Medicare. Most participants report having been deluged by direct mail and other information from Part D plans during the first open enrollment period in 2005-2006, but also note “how quickly it stopped” after that period. Those now enrolled in a Part D plan say that they mainly ignore whatever marketing materials they receive from other plans; as one participant in Lincoln says, “I no longer look for it.” Another Miami dually eligible participant admits that she is no longer inclined to pay attention to mail about Part D: “I believe [the plan or Medicare] may have sent me some information. I will be honest, I have not gone through any of the mail.”

Participants’ attitudes about their Part D plans indicate a general level of contentment, along with some areas of ongoing concern and confusion regarding the details of their drug coverage.

Participants report several positive aspects of their drug coverage, and say many things are working relatively well. Some participants have had a generally positive experience with Part D since they first enrolled in 2006; for others, their experience with Medicare drug coverage has improved over time. More than a few participants say they think they have worked out some of “the kinks” in their plans since our previous interviews in 2006. As one Lincoln participant puts it, after two years, her plan has been “pretty well-cemented.” Another Part D enrollee in Miami describes himself as “comfortable.”

- **Perhaps most importantly, most participants report getting the medications they need – mainly through their Part D plans using retail pharmacies – but some express interest in finding lower prices.** Participants are largely satisfied with their experiences at their pharmacies and very few, if any, report experiencing any problems getting their medications. However, a few say they have switched to or intend to get some prescriptions filled at large chains such as Wal-Mart, Target, or Costco to take advantage of low prices they have heard about for generic drugs. The fact that the low cost would only apply to purchases made outside of their Part D plans either does not occur to these participants or does not bother them if it means they can save money relative to what they are currently paying through their plans.

“They have done everything that they have promised.”

Part D enrollee, Lincoln

“They haven’t stepped on my toes.”

Dual eligible Part D enrollee, Miami

- **Some participants say they are saving money through their plans, in some cases by switching from brands to lower-cost generic drugs.** One participant in Baltimore, who uses generic drugs, is happy with her Part D plan because she says “I never put out a penny when I use it.” Another participant in Baltimore expresses a mixed view of her cost savings on prescriptions through her Part D plan: “I pay less, but I still pay a lot.” Some of the participants who were taking the prescription brand Zocor and certain other brand-name drugs were pleased when these recently become available in generic form, saving them money through their plans.

“I would not say [my plan is] excellent because too many [medications] have been eliminated; but it’s not bad either.”
Dual eligible Part D enrollee, Miami

Almost all participants enrolled in a Part D plan report some problems or concerns – some small, others large. Based on their experiences in 2007, as in 2006, confusion around benefits, billing, the “doughnut hole,” and other aspects of their Part D coverage surfaces among many participants.

- **Many participants are confused about the features and mechanics of their Part D plans.** One Lincoln enrollee continues to insist that she is not in a Part D plan; that her drugs are covered by original Medicare rather than something separate. When asked about her drug coverage through Part D, she replies “I don’t need this; it’s in my plan already.” Yet another Lincoln participant is unsure of the difference between a copayment and a premium; she is also unsure of her plan’s specific name other than “the BCBS drug plan.” One Miami participant worries that she might “max out” on her Part D coverage based on her drug costs, wondering whether the plan will “drop you at a certain [lifetime] maximum?”
- **Although many enrollees say they are aware of the coverage gap, they also say they don’t understand how it works or whether it might be a problem for them, while a few admit their ignorance about it.** One participant enrolled in a Medicare Advantage drug plan in Baltimore wondered out loud “Does [the plan] help me through it [the coverage gap]?” Another Part D enrollee in Miami has switched from filling his prescriptions every month to getting a three-month supply, since he believes (incorrectly) that this will keep him from reaching the coverage gap in his plan as quickly. And a few participants remain unsure about whether their plan has a doughnut hole.
- **Some participants in Part D plans continue to report problems with billing.** One Lincoln participant, a dual eligible, is confused because he has been receiving bills for monthly premiums for his Part D plan, although he knows that he should not have to pay any premium. Another participant, a Part D enrollee in Baltimore, has been receiving bills for a monthly premium that is considerably higher than he had been quoted originally. And a Miami participant is still dealing with what he calls a “screw-up” that resulted when his and his wife’s Part D plan premiums were not deducted from their Social Security checks in 2006. He was forced to pay the entire year’s worth of premiums for his wife and negotiated to pay monthly installments for his annual premium before he could re-enroll in his plan for 2007. He is not sure whether the problem was with Social Security or his plan since they are both “passing the buck” and he expresses frustration about the lack of clear responsibility for the problem.
- **Many participants express concerns about rising monthly premiums and copayments for their drug coverage.** Most enrollees report that their prescription drug copayments increased between 2006 and 2007 and some also experienced premium

“I thought the imperfections would’ve been straightened out by now,” she says, but “I guess it’s still in a state of flux.”
Part D enrollee, Baltimore

increases, in some cases by modest amounts, such as a few dollars, while in other cases, by more sizable amounts such as \$20. Most of the dually eligible enrollees we interviewed, who did not face any cost sharing under Medicaid prior to switching to Medicare Part D, made note of the relatively minor increases in their copayments between 2006 and 2007. One Miami participant, who saw her Medicare Advantage drug plan premium increase from \$80 to \$98, describes paying the higher amount as “difficult.”

“I’m paying for something I’m not getting much benefit from.”

*Part D enrollee,
Lincoln*

- **A few participants continue to rely on free samples rather than use their Part D coverage to get certain expensive medications.** A handful of participants avoid using their plans in some cases because they are still able to get some of their medications through samples provided by their doctors or, in the case of one participant, through a friend who manages a doctor’s office. This participant does note, however, that this supply is not always consistent and occasionally she must pay roughly \$200 out of pocket to get the medication. Another Baltimore participant says his wife was able to avoid reaching the coverage gap in 2006 by getting free samples of her expensive glaucoma drops from her eye doctor.
- **Some participants experienced problems when their plans dropped medications they were taking or switched them to generic alternatives of brand-name drugs.** One participant, a dual eligible in Miami, struggles to afford her brand-name drug for diabetes, paying out of pocket after her plan stopped covering it. As she explains, “I am buying it from my money... I can not afford it, but I have to figure out how to buy it.” In a few other cases, participants in Part D plans say that they are unhappy with generic substitutes for brand-name drugs they had been taking. Says one enrollee in Miami, “I liked Lipitor. Then it was taken away and I was given a generic. I don’t feel it’s the same; it makes me feel not so good.” Another participant, in Sacramento, says the same thing about the generic form of Nexium, but rather than switch he says he has managed to get by with free samples of the brand from his doctor.

SECTION 2: ATTITUDES TOWARD OPEN ENROLLMENT FOR 2008

Despite whatever concerns they may have with their Part D plans, few participants are open to comparing their plan options for 2008. Most say they have no intention of switching out of their current plan.

Most of the study participants in a Part D plan say they have no intention of shopping for a new Medicare drug plan for 2008. Most current Part D enrollees say they intend to stay with their current Part D plan for 2008, although most also report having little to no information about what other options are available. Many participants express reservations about switching plans. For some participants, this is because they are generally pleased with their current Part D plan. Others worry they could be worse off if they inadvertently choose another plan that does not cover their medications. Some simply want to keep what they have because it is familiar to them by now, and they wish to avoid having to revisit their decision and go through the process of comparing plans once again.

- **Having gone through the process of picking a plan, many participants have no interest in doing it again.** Most participants recall the large amount of time and mental energy they expended when they first enrolled in late 2005 or early 2006, and they do not want to go through this “hassle” again.

As one participant enrolled in a stand-alone drug plan in Miami says, “I did most of my research upfront,” meaning prior to the 2006 start of Part D, and says he does want to repeat the process. Another Part D enrollee in Lincoln echoes this sentiment: “I made a choice...I am not up to starting over.” Although some participants report that they plan to read their plan booklets to see what might be changing for 2008, many say they have just “filed it away” for future reference.

“I am a person of habit... If you treat me well, and I know you...unless the booklet says things will completely change, I will stick with {the same plan.}”

Dual eligible Part D enrollee, Miami

- **Many participants believe that the Part D plan they are currently in is, in fact, the best available plan.** One Baltimore participant says he has looked into other plans but “they do not compare price-wise” to his own. Another, in Miami, says she “hasn’t read anything better” than what she has. Yet another Miami participant calls her plan “the best plan there is” although she also mentions increases in her premium over the last few years. When asked about potential improvements to his plan, one Sacramento participant replies, “Only if it were free could it be better.”
- **For some participants, contentment with their current Part D plan feeds their disinterest in evaluating other plan options.** Asks one Miami participant enrolled in a stand-alone drug plan, “Why venture away from what is working?” And when asked about whether he plans to switch plans for 2008, one dual eligible enrollee in Lincoln says he thinks he “should call and ask about next year, but I won’t.” Like some other participants, he says things are “going smoothly” for him now.
- **Limited interaction with their current plan due to relatively low prescription drug use leads some participants to say they see no need to switch plans coverage.** Many participants report being in relatively good health, while a few are faring better than they had been in 2006. For participants whose prescription drug use is minimal, this feeds into their feeling that there would be no gains from switching plans. In the words of one Part D enrollee in Miami, “I know where I’m at and [I’m] basically staying the same.” This participant goes on to say he intends to keep his same plan for 2008 and “just go with the flow.” Some say they would only make changes if something “really radical” happens to their health that would require them to take more medications and they needed coverage that was not provided by their current plans.
- **Many participants express a sense of loyalty to their current Part D plans, which they intend to honor.** More than a few participants chose their Part D plan based mainly on name recognition or previous experience with the company. Says one participant in Lincoln of her plan, “It’s an old organization, on the side of old people.” She plans to stick with it in 2008. One Baltimore participant, who decided to upgrade to a new Part D plan for 2007 within the same company she was with in 2006, says “it’s the best one,” referring to the company, and she “trusts them.” To this she adds, “It’s been all good so far.”
- **Some participants believe that their coverage could not be better in a different plan because they think all plans are essentially the same.** One participant in Lincoln whose husband is in a different Part D plan than she is says she thinks their plans are “no different.” Another participant in Baltimore says he will stick with his plan until “someone else demonstrates something better.” But he also doubts that he will find better coverage because, in his words, “they all make promises that don’t work.” Those with concerns about certain features of their plan, such as the doughnut hole or higher

“I see ads everywhere, but there is always a condition...They make it sound so inviting. What a let down.”

Part D enrollee, Baltimore

copayments and premiums, believe that these same concerns would surface in any other plan.

- **A few participants think that switching plans will actually cause them problems.** A major concern expressed by a few participants is that a new plan may not cover or may eventually drop their proven medications. One participant in Miami, who switched to a brand-name diabetes medication because she did not like taking the generic version, worries that “a new plan may change me [back] to generics.” Another participant in Sacramento, a dual eligible, says he has no plans to switch because, as he sees it, “most problems are caused by switching plans.” One participant with retiree drug coverage, when asked about enrolling in a Medicare Part D plan if she lost her retiree coverage, simply replies, “No change is good.”
- **A few participants express a sense of resignation about their coverage situation.** These participants feel they are unable to change their coverage situation for the better and appear resigned to living with the status quo. “What are you gonna do?” asks one in Lincoln. “If Medicare changes, there is nothing I can do,” says another. Asked whether she would consider switching Part D plans, one participant in Baltimore says no; she has “given up trying” to compare all the options.
- **Only a few participants feel motivated or obligated to explore their Part D plan options for 2008.** A small number of participants are more “open to change” than most others, mainly because they are intrigued by the possibility of saving money on their medications. One participant in Baltimore reports being “all in all satisfied” with her current Part D plan, yet still intends to explore her options for 2008: “I have a responsibility to put the effort in...to do the best I can.” One participant in Miami who has not yet signed up for a Part D plan and currently has no drug coverage is “thinking about possibly” enrolling for 2008 or 2009. She reports being increasingly worried with each passing year about being hit by a “catastrophic situation” and the financial burden that could place on her.

“How do you know, ‘Am I making the right decision?’.... The average person is afraid to make a change.”

Participant with retiree coverage, Sacramento

CONCLUSIONS

With the third year of the Medicare Part D benefit approaching, a predominant feeling among participants is general contentment with their Part D plans, and with their current costs and access to medications under the program. However, many have struggled with certain aspects of their plan and many still lack a clear understanding of their coverage and how the Part D program works.

Faced with a new array of plan choices and the potential complexities of choosing among them during the open enrollment period for 2008, maintaining the status quo seems to be preferable to switching plans for most enrollees, despite whatever concerns they may have with their current coverage. Most participants say they are not inclined to take time to examine the details of how their current plan might be changing for 2008, much less consider the range of alternative Medicare drug plans that are available to them. Many believe that Part D plans are basically the same, or that they will be less well off if they make a change. Now that many of these beneficiaries are enrolled in a Part D plan, they seem content to stick with their current plan for the foreseeable future, rather than repeat the decision-making process in order to determine whether a different plan might offer better coverage for their needs. These attitudes suggest that many participants are likely to remain in their current plan for 2008 and beyond.

About the “Voices of Beneficiaries” Project

The Kaiser Family Foundation commissioned the bipartisan research team of Lake Research Partners and American Viewpoint to conduct a series of structured interviews with a diverse group of Medicare beneficiaries. The goal of this project is to better understand beneficiaries’ experiences as they approach and progress through the first two years of the Medicare Part D drug benefit. Beneficiaries with different drug coverage sources are included in this project, including ten dually eligible individuals (i.e., enrolled in both Medicaid and Medicare). The interviews try to capture the range of experiences that individuals face as they initially learn about, make enrollment decisions about, and experience Medicare’s new drug benefit. The 35 men and women participating in this project range in age from 47 to 85 years old, have varying incomes and health conditions, and rely to varying degrees on prescriptions drugs to maintain their health.

Individuals in this study live in four cities across the country: Baltimore, Maryland; Lincoln, Nebraska; Miami, Florida; and Sacramento, California. The study included four rounds of interviews. The first round of interviews was conducted in person in late October/early November 2005 just as beneficiaries were learning about the Part D benefit and prior to the start of the initial enrollment period. The second round of interviews occurred in March 2006 by telephone with 21 of the beneficiaries to learn about their enrollment decisions. The third round of interviews occurred October 10-31, 2006 on the eve of the six-week open enrollment period for 2007. The final round of interviews occurred with 23 participants in September and October 2007, once again on the eve of the six-week open enrollment period for 2008.

This report is the fourth in a series of reports based on findings from this project. The first report, “Profiles of Medicare Beneficiaries With Medicaid Drug Coverage Prior to the Medicare Drug Benefit,” profiled four people who are dually eligible for Medicare and Medicaid to provide greater insights into their circumstances as the new Medicare drug benefit went into effect, and is available at www.kff.org/medicaid/kcmu121905pkg.cfm. The second report, entitled “Voices of Beneficiaries: Early Experiences with the Medicare Drug Benefit,” addressed the first months of Part D coverage in 2006, and can be found at <http://www.kff.org/medicare/upload/7504.pdf>. The third report, “Voices of Beneficiaries: Medicare Part D Insights and Observations One Year Later,” focused on the experiences of beneficiaries during 2006 and can be found at <http://www.kff.org/medicare/upload/7605.pdf>



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