



## **Profiles of Medicare Beneficiaries With Medicaid Drug Coverage Prior to the Medicare Drug Benefit**

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The Kaiser Family Foundation has commissioned Lake Research Partners and American Viewpoint to conduct a series of structured interviews with a diverse group of Medicare beneficiaries to understand their experiences as they approach and progress through the first year of the new Medicare prescription drug benefit. The goal was to interview beneficiaries with different drug coverage sources in order to capture the diversity of experiences that individuals face as they learn about Medicare's new drug benefit and begin to make enrollment decisions. The 34 men and women interviewed for this project range in age from 47 to 85 years old, have varying incomes and health conditions, and rely to varying degrees on prescription drugs to maintain their health.

The interviews are being conducted in three phases over the course of a twelve-month period. The first round of interviews was conducted between October 27 and November 16, 2005. The second round of interviews will occur in the Spring of 2006, and the final interview will take place in the Fall of 2006 to capture experiences in the first year of the Medicare drug benefit. The interviews are being conducted in four geographically diverse cities: Baltimore, Maryland; Lincoln, Nebraska; Miami, Florida; and Sacramento, California.

As part of a broader forthcoming report, this brief profiles four people who are dually eligible for Medicare and Medicaid to provide greater insights into their circumstances as the new Medicare drug benefit goes into effect. Prescription drug coverage through Medicaid terminates for dual eligibles on December 31, 2005, and their coverage will automatically shift to new Medicare drug plans on January 1, 2006. These four profiles, based on the first round interviews, focus on the economic and health circumstances of these beneficiaries, and their knowledge and attitudes towards upcoming changes to their Medicare and Medicaid benefits.

This brief profiles the following individuals:

- Thelma, a 71-year old from Miami, relies heavily on several brand-name drugs to manage her health conditions (including diabetes, arthritis, osteoporosis, thyroid problems, and anxiety), and worries about whether she will be able to afford her prescriptions in a Medicare drug plan.
- Steve, a 51-year old from Baltimore, has received Social Security Disability Insurance payments for three years because of a serious heart attack, and wants to learn more about the drug plans so he can choose one that covers the six medications he takes regularly to manage his heart disease.
- Viola, an 83-year widow old in Lincoln, lives alone and relies on housing assistance and food stamps to help make ends meet; she wishes that she could keep her current Medicaid drug coverage but places a high level of trust in the government to do the right thing for her.
- Bill, a 73-year old from Sacramento, has a high level of understanding of the upcoming changes and has been actively involved in informing other seniors about the new Medicare drug benefit; he worries about being auto-enrolled but does not think he would be able to choose wisely for himself.

## THELMA

Thelma, 71, left Panama to come to the United States in 1966, where she lived in Los Angeles before settling in Miami, Florida. Although her two sons and six grandchildren living nearby are a strong support system, Thelma worries constantly about her health and her finances. Divorced, she lives alone and relies on Supplemental Security Income (SSI), food stamps, and some occasional financial help from her children. “I don’t sleep because of the economical situation and all of this [referring to changes in her drug coverage]. My children, the poor things, they help me a little, but they can’t. They have their own children.” Meanwhile, her SSI payment was recently cut in half, she explains, because her son provides her with help paying her rent.

Having been on both Medicare and Medicaid for approximately six years, Thelma is very pleased with her medical and prescription drug coverage. Thelma struggles with a number of chronic health conditions, including diabetes, osteoporosis, arthritis, anxiety, a thyroid problem, and an unnamed but ongoing and frustrating issue with her esophagus, for which she recently underwent both a colonoscopy and a gastroscopy. She takes more than six prescription medications on a regular basis, including Avandia, Synthroid, Fosamax, Lipitor, Nexium and a pain reliever for her arthritis. Despite her financial and health concerns, she demonstrates a good sense of humor and describes herself as “peppy.” She especially appreciates that Medicaid pays for her medications, most of which she knows are expensive, brand-name drugs. She describes her pharmacy in very positive terms.

Thelma appears extremely concerned and anxious when discussing any potential changes to her coverage. In her own words, “Medicare [has taken care of me] up to now. Now with this plan they have me all confused. They sent me a book that I have to choose [referring to her *Medicare & You 2006* handbook]. I am very nervous.” Thelma knows she will be automatically enrolled in a Medicare drug plan if she doesn’t choose a plan on her own, but that is about all she knows about the upcoming changes. She does not know how or which plan she would choose. Referring to the letter informing her about auto-enrollment, she says, “Yes. I have it. I don’t understand it. I have a cousin that is super intelligent and she has Medicare...She says, ‘Thelma, I don’t know.’” Thelma is most concerned about the costs associated with a new plan. She is aware that her brand-name medications are expensive and fears she will not be able to afford even the \$3 or \$5 copayments each month, and switching to generic medications makes her uneasy. She notes, “The Fosamax and Nexium...those are very, very expensive. I know I am going to die, but I cannot afford it if I have to pay them all, \$40. That is \$40 that I need to cover life, you know what I mean? It is very hard for me.”

Adding to her anxiety, Thelma says she has no one to turn to for advice. She is reluctant to seek help from doctors or pharmacists because they “don’t like to get involved.” She has called 1-800 Medicare once, but was put on hold. Reading the Medicare handbook, she says, only increased her confusion. As for other beneficiaries she knows, she says, “They are worried, the people that I talk to. They are worried. They say, ‘I don’t know what I am going to do. I don’t know about these plans. I cannot afford it.’” Above all, Thelma is uncertain about the future and whether the new benefit will help her. She is very concerned about being auto-enrolled in a plan that will not be appropriate for her individual circumstances.

## STEVE

Steve is a 51-year old living alone in Baltimore, Maryland. He has two children and three grandchildren. Steve has been receiving Social Security Disability Insurance payments (SSDI) since 2002, when he suffered a major heart attack which left him unable to work until just recently. He is currently working part-time as a rehabilitation specialist, but admits it is a struggle for him to make ends meet. Living in subsidized housing, he notes, does help. Regarding his health, Steve made significant lifestyle changes after his near-fatal heart attack three years ago by changing his diet, losing weight, and quitting smoking. He stresses that the medications he takes – Lipitor, Glucoside, Avandia, spironolactone, furosemide and Topamax – are effective at managing his chronic conditions, which include high blood pressure, diabetes, lingering heart issues, and bipolar disorder. “Right now,” he says, “I’m really managing my illness well, and it’s been a journey.”

He describes Medicare in positive terms, as having “been good” to him. He mentions numerous times a clinic that he has relied upon heavily since his heart attack that treats him well. He describes his prescription drug co-pays as manageable. Yet he is unable to make sense of how Medicare and Medicaid work together, and he is unaware that Medicaid is the current source of his drug coverage. “Your guess is as good as mine, because I don’t know either,” he says. But he does not appear worried. He continues, “I know that since I do everything through my clinic, they have my numbers and I never have to worry about it. At one point somebody told me that medical assistance is Medicaid and then Medicare is Medicare. And then someone else told me that’s not right, it’s the other way around. I’ve never quite got that.”

Steve says he is relatively informed about the upcoming changes to Medicare – he says he follows the debates on C-SPAN, reads the newspaper, and surfs the Web – but he is confused as to the specific impact these changes will have on his health care. This makes him feel ill at ease. “I’m not really sure how it affects things. I don’t know if it means a greater co-pay, a lesser co-pay, or a no co-pay, because from what I’ve been able to gather about it, it’s not really clear.” He admits to hearing only “rumors” and “conflicting information.” “Because of that,” he adds, “I’m not really sure what to believe.”

Owing to his uncertainty about how a new plan could benefit him, Steve is hesitant about enrolling in a Medicare drug plan. He is unsure whether enrollment is mandatory (he had not yet heard about his automatic enrollment) but says he plans to get in touch with Medicare to learn more. The concept of automatic enrollment does not appeal to him, since he was once automatically enrolled in a private plan and it was not a positive experience for him. Ideally, he would like to maintain his status quo. Like many others in his position, Steve worries most about an increase in co-pays. He questions whether the cost of his prescriptions will exceed his ability to pay, adding, “I’ve got to eat. I’ve got to have a place to live.” He also points out that although he has done a lot to decrease his reliance on prescription drugs, “There is only so much I can do with diet and exercise. ... At some point I’m still going to need medicine. So if these things get so far out of control, and it just costs too much to go and see a doctor, I just don’t know what I would do.” Another issue of concern is whether the new coverage will include his specific brand-name medications. He says it took him a while to find the right drugs that work best for each of his conditions and he is reluctant to change.

In terms of next steps, he says, “The first thing I’m going to do is see which [plan] comes the closest to giving me what I have already. I just want to see on paper as best I can what gives me the kind of care that I’m already receiving.” He plans to consult with his doctor and pharmacist at his clinic. After all, he says, “I have a good relationship with both. One of the things I love about this clinic is they work hand-in-hand. They really work as a team.” In addition, he says he would consult his elderly father who is also on Medicare and other individuals with similar circumstances for their opinions.

## VIOLA

Viola is an 83-year old woman living in Lincoln, Nebraska, who smiles proudly when she talks about being born in Missouri on the same day as President Harry Truman. Widowed over 20 years ago, Viola and her husband never had any children of their own, and almost all of her relatives have passed away over the years. She lives alone in a “big old house,” but suffering from claustrophobia, she is resistant to move into an apartment or enter a nursing home. Her favorite pastime is television, which she admits to leaving on 24 hours a day, for company. She lives on \$801 per month, which leaves her dependent on various voucher programs (for transportation and a cleaning lady), help with her heating bill from the Salvation Army, and \$10 in food stamps each month, about which she laments, “I can buy a loaf of bread and a hamburger, and that’s all.”

Viola has had Medicare since 1987, but she is unclear about when her Medicaid coverage began or how the two plans work together. What is clear is that she is satisfied with both. In her own words, “It lets me pay my bills, and they take care of my health.” A replacement of both of her knees in 1992, in addition to longstanding arthritis and osteoporosis, limit her ability to get around. But otherwise she claims to be in good health. She takes medications on a regular basis, including Tylenol III, Detrol for an overactive bladder, high blood pressure medication, aspirin and a patch for her heart. She is very happy with her local pharmacy and is diligent about paying her \$2 copayments. Indeed, she is emphatic about never having skipped any of her medications: “I always make the payment. The medicine comes first,” she insists.

Viola expresses very little anxiety about the upcoming changes in Medicare and Medicaid. She places a high level of trust in both programs and believes they will continue to take care of her. She does not seem too upset about not knowing the specifics pertaining to the changes, although she does wonder whether her hospitalization coverage is going to be affected. She intends to ask her doctor or pharmacist to explain everything to her, as well as attend an upcoming information session at her local bank. “It makes me feel good to know that I can call someone to talk to them,” she adds. What she is concerned about is whether her monthly outlay for her medications will change, because she knows that her particular medications are very expensive. Choosing a plan based on the lowest cost – one that would allow her to continue living the way she is now – makes sense to her. She explains, “As long as I’ve got a little bit left over when I have to pay my bills. I have my gas, my lights, my water, and I have to pay all those bills.”

Viola is unsure about the new Medicare drug benefit and would prefer to maintain the status quo. “I was wondering if I should, but I haven’t thought too much about it, because I figured maybe I can keep my bill to two dollars, for my co-pay and that,” she says. She knows virtually nothing about the enrollment process or any specific drug plans, but the January 1 date sticks out in her mind. She is concerned about the number of drug plans available to her: “It makes me feel stupid because I won’t be able to [choose].” In light of this, it is understandable that she is delighted at the prospect of auto-enrollment, as it provides her with a heightened sense of security. As she explains it, “I’d much rather be enrolled and know I’m covered. I’d much rather know that I’m covered, than wait and find out I’m not covered and then I’ll be all messed up sure enough.”

## BILL

Bill is a spirited 73-year old living in Sacramento, California. He has two sons nearby, but relies mainly on his ex-wife who lives with him as his caregiver. He is content with his situation, he says, mainly because sharing the rent allows him to make ends meet. In addition to being involved as a member of the California Senior Legislature (a nonpartisan, volunteer organization), Bill volunteers with the local Area Agency on Aging. He is also a foster-grandparent and English as a Second Language tutor.

Bill is somewhat uncommon among his peers in that he is very knowledgeable about his Medicare and Medicaid benefits. He has had Medicaid since 1990, Medicare since 1997, and prides himself on knowing how these programs work. In fact, part of his volunteering role for the Area Agency on Aging is educating other seniors on health insurance matters. He is very satisfied with his insurance, which is noteworthy since he has a history of illness, including cancer, diabetes, hepatitis C, an ulcer and heart trouble which required a coronary stent implant. Referring to his coverage, he says, "It's kept me alive." He credits his medications – currently Glyburide, (generic) Valium, and tracer strips – for keeping his illnesses in check. Once again, he is grateful for the drug coverage he has through Medicaid: "As long as I've had Medi-Cal I've been able to get the medication I needed."

When asked about the new Medicare drug benefit, Bill is admittedly very worried about this "so-called Medicare reform," which he calls, "Medicare devastation." He is highly suspicious and assumes collusion between the government, drug companies, and doctors, whom he believes are only out to make money, and worries that there will be other cuts to Medicaid in an effort to pay for the Medicare drug benefit. He is also very concerned about paying a \$3 co-pay for his prescriptions. "I'm afraid it's going to harm me, because they're going to introduce the co-pay...", he says. Speaking of his fellow seniors, he adds, "They're very apprehensive, as I am. They're afraid it's a slippery slope and they're going to do away with Medi-Cal...the thing that keeps them alive." He also worries about whether his particular medications – the ones he says he needs to survive – will be covered under a new plan.

Because Bill has attended some information workshops, he knows a lot about the Medicare drug benefit. And he has no shortage of information sources to turn to, including his colleagues in the California Senior Legislature, the Area Agency on Aging, and AARP. Despite his connections, however, he does have some notable gaps in his understanding of upcoming changes associated with the drug benefit. For instance, he assumes that he will be automatically enrolled in an HMO, about which he has strong negative opinions. "I don't trust them as far as I can throw the Empire State Building," he says. Owing to this assumption, he has a negative view of auto-enrollment. In addition, his suspicion about the motives of the federal government in creating the new plan seems to be affecting his willingness to choose between drug plans. On this issue he says, "I don't think I could make an informed decision because [the plans are] not going to tell the complete truth; none of them are."