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MEDICARE PART D IN SEPA: A LOCAL PERSPECTIVE

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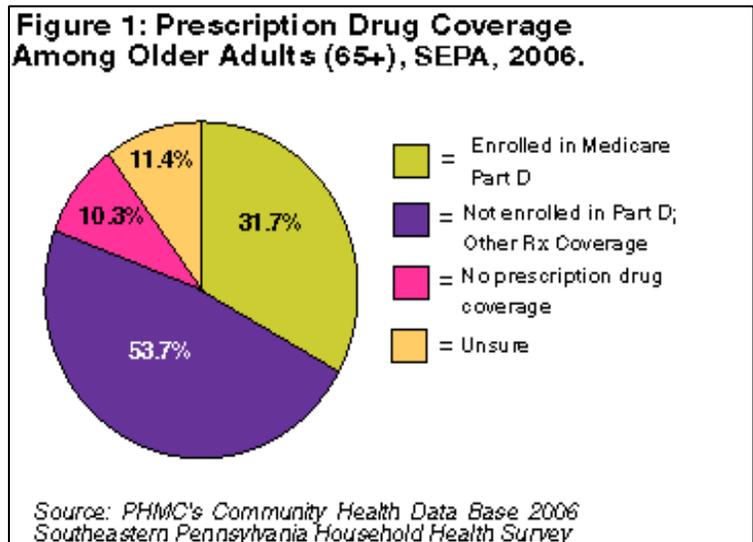
In 2003, the Medicare Prescription Drug Improvement and Modernization Act—also known as Medicare Part D—was established as a voluntary prescription drug benefit program for individuals already enrolled in Medicare. Medicare Part D, which went into effect January 1, 2006, provides enrollees with assistance paying for prescription medications. Unlike traditional Medicare coverage, Medicare Part D is not a federally administered program; rather, individuals must enroll in one of the many prescription drug plans offered by private companies. The number and types of programs vary by state; these variations include monthly premiums, co-pays, and drug formularies. Currently in the U.S., there are approximately 42 million beneficiaries of the Medicare Part D program, of whom 85% are 65 years of age and older.

The following article examines data from PHMC’s 2006 Southeastern Pennsylvania (SEPA) Household Health Survey in order to explore the varied experiences of Medicare Part D-eligible older adults (65 and older) in our region. Topics explored include: enrollment in the Medicare Part D program, factors most important in selecting a prescription drug plan, receiving prescription medications after enrollment, lack of prescription drug coverage, and reasons for not enrolling in the program.

MEDICARE PART D ENROLLEES IN SOUTHEASTERN PENNSYLVANIA

In 2006, just under one-third (31.7%) of adults 65 years of age and older in SEPA enrolled in the Medicare Part D program; this percentage represents about 160,000 older adults (Figure 1). Six months after Medicare Part D was rolled out, approximately two-out-of-three older adults in SEPA (64.0%) had not enrolled, and an additional 4.3% of older adults did not know whether they had enrolled in the program. A few characteristics of older adults in SEPA who had enrolled in Medicare Part D include:

- In Chester, Bucks, and Montgomery Counties, about four-in-ten older adults enrolled in Medicare Part D (40.5%, 39.9%, and 39.5%, respectively), compared to three-in-ten older adults in Philadelphia (31.7%) and Delaware (29.7%) Counties.



- Enrollment in the Medicare Part D program was highest among the youngest group of older adults; almost four-in-ten adults 65-74 years (38.2%) enrolled in the program compared to 33.1% of adults 75-84 years and 30.3% of adults 85 years of age and older.
- White older adults (36.3%) were more likely to have enrolled in the Medicare Part D plan compared to African-American and Latino older adults (32.5% and 24.4%, respectively).
- Poor older adults (37.6%) were slightly more likely to have enrolled in the Medicare Part D plan compared to non-poor older adults (34.9%).

These findings are similar to national findings that reveal, for example, that poor older adults are more likely to be enrolled compared to non-poor older adults.² However, some demographic trends in SEPA do not match national figures. For example, nationally, Latino and African-American older adults are more likely to be enrolled in a Medicare Part D plan compared to white older adults.

RECEIVING MEDICATIONS AFTER ENROLLMENT

The vast majority of older adults in SEPA (87.8%) had no problems receiving their prescription medications once they enrolled in a Medicare Part D plan. At the same time, more than one-out-of-ten enrollees (12.2%, or 20,000 older adults) reported having one or more problems receiving medications since enrolling in their Medicare Part D plan (Figure 2). In addition, older adults living in poverty were more likely to report one or more problems receiving medications after enrolling in their Medicare Part D plan compared to non-poor older adults (14.6% versus 11.9%, respectively). Nationally, nearly 18% of older adults who used their Medicare drug plan reported a problem obtaining prescriptions.

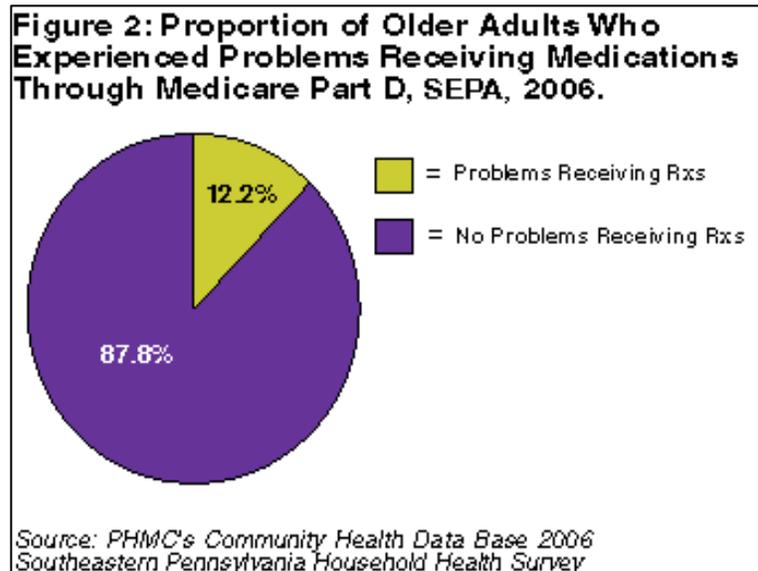
REASONS FOR NOT ENROLLING IN MEDICARE PART D

There are many reasons why eligible older adults in SEPA did not enroll in one of the Medicare Part D plans. Among the two-thirds of older adults in SEPA who had not enrolled in the Medicare Part D program, the most common reason for not enrolling was having prescription coverage through another plan (56.3%). Other reasons cited for not enrolling include: confusion about the program (7.7%, representing approximately 22,000 older adults in the region); and cost of the program (4.5%, representing about 12,000 individuals).

In Southeastern Pennsylvania, 10.3% of older adults, or 50,000 persons, reported having no prescription drug coverage six months after the roll-out of Medicare Part D (Figure 1). This finding is comparable to national estimates, which show that in mid-2006, approximately 10%, or about four to five million older adults in the U.S., had no source of prescription drug coverage.

SUMMARY

Findings from PHMC’s 2006 Household Health Survey indicate that initial Medicare Part D enrollment patterns among adults 65 years of age and older in SEPA are similar to patterns found nationwide. Approximately one-third of older adults in SEPA enrolled in a Medicare Part D prescription drug plan and adults 85 years of age and older were less likely





to enroll than were their younger counterparts. Of those adults who did enroll, approximately 12% reported having problems receiving medication since enrollment, representing about 20,000 adults in the region.

About two-thirds of older adults did not enroll in Medicare Part D. Of this group, over half did not enroll because they had another form of prescription drug coverage, 8% did not enroll because they were confused about the plan or lacked knowledge about how to enroll, and 5% did not enroll due to the cost.

Finally, the survey reveals that about 10% of the SEPA older adult population remained without any prescription drug coverage, even after the initial roll-out of the Medicare Part D program; this percentage represents approximately 50,000 adults 65 years of age and older who have no prescription drug coverage of any kind.

These findings identify key areas of possible intervention in our region, including increasing educational support to reduce confusion among eligible older adults and to help them select the most cost effective prescription drug plan available.

All of these findings, and more, are included in PHMC's recent report, Medicare Part D in Southeastern Pennsylvania. An electronic copy of this report can be downloaded [here](#). For more information about the CHDB, or to request a hard copy of the report, please contact CHDB staff member Allegra Gordon at agordon@phmc.org.

NOTES

1. Kaiser Family Foundation. (2006). Prescription Drug Coverage Among Medicare Beneficiaries. www.kff.org
2. Poor adults are defined as those living below Federal Poverty level, calculated based on family size and household income. For example, a family of four with an annual income of \$20,000 or less in 2006 was considered living in poverty.
3. Kaiser Family Foundation. (2007). Medicare Prescription Drug Benefit Progress Report: Findings from the Kaiser/Commonwealth/Tufts-New England Medical Center 2006 National Survey of Seniors and Prescription Drugs. www.kff.org
4. Kaiser Family Foundation. (2006). Prescription Drug Coverage Among Medicare Beneficiaries. www.kff.org
5. Kaiser Family Foundation. (2006). Prescription Drug Coverage Among Medicare Beneficiaries. www.kff.org

