



# COMMUNITY HEALTH DATA BASE

An Information Service of the Philadelphia Health Management Corporation

# Medicare Part D in Southeastern Pennsylvania



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## Introduction

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.<sup>1</sup>

In order to capture the varied experiences among Medicare Part D eligible older adults in Southeastern Pennsylvania (SEPA), PHMC's Community Health Data Base added questions about Medicare Part D to its 2006 Household Health Survey to address the following topics: 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. The Household Health Survey was conducted in the summer of 2006, six months after the Medicare Part D program went into effect. This Data Brief examines the results of these questions among eligible<sup>2</sup> adults 65 years of age and older.

## Medicare Part D Enrollees in Southeastern Pennsylvania

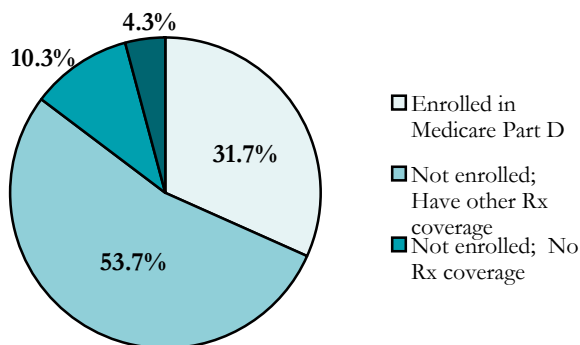
In 2006, just under one-third (31.7%) of adults 65 years of age and older in SEPA enrolled in the Medicare Part D program; this percentage represents about 160,000 older adults (Figure 1). Six months after Medicare Part D was

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. The following section highlights the characteristics of older adults in SEPA who had enrolled in Medicare Part D (Figure 2).

- 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.
- 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.
- White older adults (36.3%) were more likely to have enrolled in a Medicare Part D plan compared to African-American and Latino older adults (32.5% and 24.4%, respectively).
- Women (36.2%) were only slightly more likely to have enrolled in a Medicare Part D plan than men (34.2%).
- 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%).<sup>3</sup>

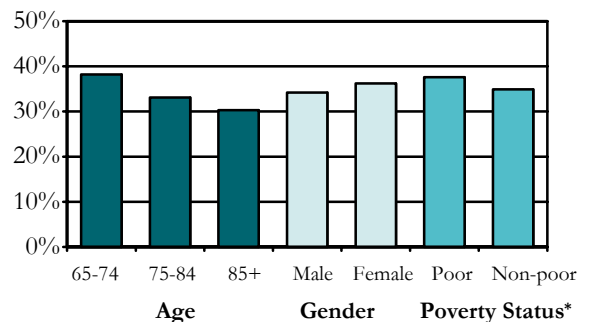
These findings are similar to national findings that reveal older adult women are more likely than older adult men to be enrolled in a Medicare Part D plan and that poor older adults are more likely to be enrolled compared to non-poor older adults.<sup>4</sup> However, some demographic trends in SEPA 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.

**Figure 1. Prescription Drug Coverage among Older Adults (65+) in SEPA, 2006**



Source: PHMC's Community Health Data Base Southeastern Pennsylvania Household Health Survey, 2006.

**Figure 2. Prescription Drug Coverage among Older Adults (65+) in SEPA, 2006**



\*Poverty is defined as below 100% of the Federal Poverty Level, based on family size and household income. Source: PHMC's Community Health Data Base Southeastern Pennsylvania Household Health Survey, 2006.

## Factors Guiding Selection of a Medicare Part D Plan

Varying factors guided those older adults in SEPA who enrolled in Medicare Part D when selecting their specific plan in 2006. Nearly four-out-of-ten older adults (37.7%) selected a plan based on the co-pay or out-of-pocket expenses, 17.8% selected a plan based on which medications the plan covered, and 15.8% selected a plan based on the monthly premiums. These findings mirror national studies, in which the most important reasons cited for selecting a particular Medicare Part D plan include: the cost of prescriptions, specific drugs covered by the plan, the cost of monthly premiums, reputation of the company, and a recommendation from a trusted source.<sup>5</sup>

## 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 3). 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.<sup>6</sup>

## 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 (Figure 4). 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: 5.8% of older adults did not understand the Medicare Part D program and 2.2% did not know how to enroll, representing approximately 22,000 older adults in the region; and
- Cost of the program: 4.5% of older adults—representing about 12,000 older adults in the region—found the program too expensive.

## Lack of Prescription Drug Coverage

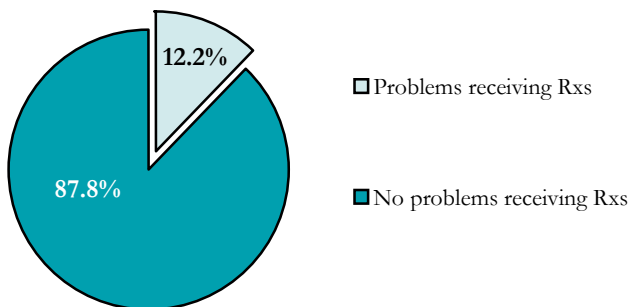
In Southeastern Pennsylvania, 10.3% of older adults, or 50,000 persons, reported having no prescription drug coverage six months after the roll-out of Medicare Part D (Figure 1). This finding is comparable to national estimates, which show that in mid-2006, approximately 10%, or about four to five million older adults in the U.S., had no source of prescription drug coverage.<sup>7</sup>

## 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 older 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

**Figure 3.** SEPA Older Adults (65+) Who Experienced Problems Receiving Prescription (Rx) Medications Through Medicare Part D, 2006



Source: PHMC's Community Health Data Base Southeastern Pennsylvania Household Health Survey, 2006.

**Figure 4.** Reasons SEPA Older Adults (65+) Give for Not Enrolling in Medicare Part D, 2006

▪ Already has drug coverage	56.3%
▪ Does not understand program	5.8%
▪ Too expensive	4.5%
▪ Will not save money	3.2%
▪ Did not know how to enroll	2.2%
▪ Does not take prescriptions	2.2%
▪ Too busy to enroll	1.3%
▪ Other reason	24.5%

Source: PHMC's Community Health Data Base Southeastern Pennsylvania Household Health Survey, 2006.

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.



## References

- 1 Kaiser Family Foundation. (2006). Prescription Drug Coverage Among Medicare Beneficiaries. [www.kff.org](http://www.kff.org)
- 2 Those already enrolled in either Medicare Part A or Medicare Part B were considered eligible for Medicare Part D.
- 3 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.
- 4 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](http://www.kff.org)
- 5 James, J., Neuman, T. and Strollo, M. K. (2006). Early Experiences of Medicare Beneficiaries in Prescription Drug Plans. Insights from Medicare State Health Insurance Assistance Programs (SHIP) Directors. Kaiser Family Foundation. [www.kff.org](http://www.kff.org)
- 6 Kaiser Family Foundation. (2006). Prescription Drug Coverage Among Medicare Beneficiaries. [www.kff.org](http://www.kff.org)
- 7 Kaiser Family Foundation. (2006). Prescription Drug Coverage Among Medicare Beneficiaries. [www.kff.org](http://www.kff.org)

## About the Household Health Survey and the Community Health Database Project

The Household Health Survey, the largest local health survey in the country, is the centerpiece of PHMC's Community Health Data Base (CHDB). The survey collects data from 10,000 households in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties. It has been conducted 10 times since 1982, and is currently conducted every two years.

The Community Health Data Base is the only project of its kind in the country that integrates primary local data from periodic community surveys with local secondary data on vital statistics, demographics and socioeconomic characteristics.

A major goal of the Community Health Data Base is to work with local health, medical, and social service organizations to enhance their capacity by improving access to and increasing their use of data to identify need, develop and plan programs, secure resources, and track program outcomes to better ensure services are responsive to emerging needs.

Organizations that join CHDB receive valuable data and technical assistance that will help them to bring more resources to the communities they serve. If you are interested in learning about how to join the CHDB, please contact 215.985.2548 or [Francine@phmc.org](mailto:Francine@phmc.org). For more information on CHDB, go to [www.phmc.org/chdb](http://www.phmc.org/chdb).

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