

# Headlines from the Hill

By Erin McKeon

## Update on Medicare Part D prescription drug program

**SINCE JANUARY 2006**, when Medicare's Part D prescription drug program went into effect, all 43 million Medicare beneficiaries have had a chance to enroll voluntarily in a private plan offering prescription drug coverage. Part D offers a choice of plans, which fall into three categories—standard, equivalent or alternative plans, and enhanced. Variations in the plans' benefits and premiums were designed to attract seniors with different needs.

Generally, Part D coverage encompasses three phases for covered drugs:

- **Phase 1** requires most beneficiaries to pay a \$250 deductible and about 25% of drug costs up to \$2,250.
- **Phase 2** (called the "gap" phase or "donut hole") kicks in once drug expenses exceed \$2,250. At that point, the beneficiary must pay all drug costs until total spending reaches \$5,100.
- **Phase 3** requires beneficiaries to pay only 5% of further drug expenses.

Under Part D, Medicare replaces Medicaid as the primary source of drug coverage for low-income and disabled people with both Medicare and Medicaid. Called "dual eligibles," these beneficiaries are enrolled in a Part D plan automatically if they don't choose a plan on their own. Assistance with drug benefit premiums and cost sharing also is available to beneficiaries with low incomes and modest assets.

### Rebounding from a rocky debut

Part D got off to a rocky start marked by confusion among state agencies, beneficiaries, providers, and the Centers for Medicare and Medicaid Services. Many seniors said they didn't have enough information to understand how the drug benefit would affect them, making it difficult to pick the best plan. Others had problems getting accurate information or when trying to enroll on the Medicare website.

Despite these difficulties, more than 22.5 million beneficiaries have now enrolled in Medicare Part D plans, and more than 3.5 million prescriptions are being filled daily. However, according to some estimates, between 4 and 5 million beneficiaries (about 10% of the total Medicare population) still lack drug coverage. More than 3 million of them are thought to be eligible

for extra help through low-income assistance. Most who qualify for the extra help will pay no premiums, no deductibles, and a maximum of \$5 for each drug their plan covers.

Although most enrollees report satisfaction with the program and some savings, many (particularly those with chronic illnesses and greater medication needs) are starting to hit the "donut hole." Estimates vary as to how many people will fall into this coverage gap and how it will affect their health status. For those who enrolled before May 2006, the next opportunity to change plans is November 15 to December 31, 2006. Nurses should be aware that patient advocate groups and state agencies are available to assist beneficiaries and their families with Part D information and to help them navigate the system.

Also, the following websites offer information about Medicare Part D plan options, enrollment periods, low-income assistance, grievance, and appeals:

- [www.mymedicarematters.org/](http://www.mymedicarematters.org/)
- [www.mymedicare.gov](http://www.mymedicare.gov)
- [www.medicare.gov](http://www.medicare.gov)
- [www.cms.hhs.gov/MedPrescriptDrugApplGriev/](http://www.cms.hhs.gov/MedPrescriptDrugApplGriev/)

### ANA endorses the Medicare Quality Enhancement Act

ANA has endorsed the Medicare Quality Enhancement Act of 2006 (S.3900), introduced by Senator Judd Gregg (R-NH) on September 14 and cosponsored by Senators Bob Bennett (R-UT), Richard Burr (R-NC), John Cornyn (R-TX), Bill Frist (R-TN), and John Sununu (R-NH).

ANA believes this act would improve access to Medicare data and encourage research on healthcare quality and efficiency. It authorizes release of Medicare enrollment, claims, surveys, and assessment data to qualified research organizations for the purpose of researching issues related to healthcare costs and quality. It allows consumer groups, providers, employers, insurance plans, labor unions, and others to request reports from these organizations. Also, the bill protects the privacy of Medicare beneficiaries by requiring the research organizations to abide by privacy standards of the Health Insurance Portability and Accountability Act and the Privacy Act.

As explained in ANA's endorsement letter, America's nurses have long supported evidence-based efforts to improve patient care. Healthcare collection and dissemination data are essential to these efforts. ★

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