HonoluluAdvertiser.com

Posted on: Wednesday, August 25, 2004

Medicare gap cuts medicine intake

By Gordon Y.K. Pang
Advertiser Capitol Bureau

Nearly one in four seniors with medical plans that limit prescription drug benefits reduce their intake or stop taking their medication altogether, according to a study being released today that was co-authored by a University of Hawai'i researcher.

The study, "Cost-Lowering Strategies By Medicare Beneficiaries Who Exceed Drug Benefit Caps and Have a Gap in Drug Coverage," appears in today's issue of the Journal of the American Medical Association.

Chien-Wen Tseng, now an assistant professor at the University of Hawai'i's John A. Burns School of Medicine, was lead researcher for the study when she was a Robert Wood Johnson clinical scholar at UCLA.

Liliha resident Florence Waldow, 90, took out medical insurance when she retired at age 62 and does not have to rely on the Medicare program to pay for her medication, but she understands how expensive the cost of prescription drugs are and empathizes with those forced to make hard choices.

"I manage to get along ... but it's getting impossible," she said. One plan she purchased through AARP pays 50 percent of her first $1,000 of drug purchases each year. That used to help her with all her purchases, she said. But last year, that benefit was used up in three months. "Unless they do something about the price of prescription drugs, there are going to be a lot of people who aren't going to be able to afford them," she said.

The 2002 study surveyed 1,308 seniors in a Mainland state who were all under the same medical plan. The state cannot be revealed, Tseng said,

because of confidentiality laws pertaining to health plans. Half of those studied exceeded their 2001 cap and had a gap in coverage for 2› to six months. Of those who had a gap, 24 percent decreased, stopped or did not start their medication because of costs, the study said.

Many of the study's seniors, all of whom were 65 and over and had an average age of 75, had serious medical conditions such as high cholesterol, hypertension, asthma, depression and pain, Tseng said, and were cutting out essential prescription drugs to treat those afflictions.

Tseng said there are flaws in the newly adopted $410 billion national Medicare drug benefit program slated to begin in 2006. Currently, Medicare does not cover outpatient prescription medications for most people.

Under the new plan, seniors will pay a monthly premium and a $250 deductible to receive partial coverage. But once the costs for medications reaches $2,250, seniors will need to pay out-of-pocket until costs exceed $5,100, when catastrophic coverage kicks in and covers all expenses. Those caught in the middle range are defined by critics as the "doughnut hole gap."

Tseng said other studies have shown an estimated 40 percent of Medicare seniors would fall into the doughnut hole gap.

"We have a good sense that this is affecting a lot of people, (although) there's no way to get the exact numbers nationwide," she said.

Previous studies showed that seniors without prescription drug coverage will cut back on medication, she said. "But what happens to seniors who have drug insurance? The benefit is designed in such a way that this percentage of people are going to run out before the end of the year and they're on their own for a period of time."

Local senior advocates said they are not surprised that a sizeable chunk of the population reduces medications when benefits are capped.

Mary Rydell, a local representative for the federal Centers for Medicare and Medicaid Services, said she hears every day from seniors who do not have access to adequate prescription drug coverage.

"It does affect their health and they often report going without either food, or not paying certain bills, cutting their pills in half, not taking or testing their insulin levels every day like they're supposed to," she said. "It's really sad."

Alicia Maluafiti, spokeswoman for advocacy group AARP Hawaii, said she's surprised the study's results don't show a higher number of people cutting back on their medication.

"We have evidence of a number of seniors who are forced with that option," Maluafiti said. "Seniors who are faced with being unable to afford their prescription drugs have to make a choice," she said.

But while Maluafiti and Rydell agree with Tseng that the new Medicare program will create a gap group effect, they believe it's at least a good first step at providing coverage that would aid many of those most in need.

"The new Medicare law is going to actually benefit 20 million of the 40 million Medicare beneficiaries who currently have little or no prescription drug plan," Maluafiti said. "So for the folks who hit the doughnut hole, we have something which is better than nothing."

Maluafiti added that "AARP does not like the doughnut hole" and is trying to remedy it through amendments to the law.

Rydell also acknowledged that for many seniors, except those with low income or catastrophic medication costs, "the new Medicare benefit won't be as helpful as seniors expect it."

Like Maluafiti, Rydell said the program does what it can given the limited amount of money available. "They knew they didn't have enough money to give a full benefit to everybody," she said. "I think that was the political reality that Congress had to face. They only had so much money to play with over a 10-year period."

Reach Gordon Y.K. Pang at gpang@honoluluadvertiser.com or 525-8070.