

Doctors Top Source for Medicare Drug Information

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WASHINGTON — Older patients are choosing their physician over the phone or electronic resources to help them understand the complexities of the new prescription drug law.

Many beneficiaries don't understand what the new law does, and many are not comfortable looking for information online, Drew Altman, president and CEO of the Kaiser Family Foundation, said during the annual conference of the National Academy of Social Insurance.

In a Kaiser Family Foundation poll of more than 1,200 adults, only 13% said they understood the new law very well. More than half (53%) said they didn't have enough information about the law to understand how it would impact them personally. The poll was conducted in December 2004 and included responses from 237 adults aged 65 years and older and 953 adults aged 18-64.

In a question specifically addressed to seniors, respondents were asked what sources they would turn to for help. The majority (38%) said they'd ask for their physician's counsel, in deciding whether or not to enroll in a Medicare drug plan, Mr. Altman said.

Seniors also cited Medicare offices, Web sites, or phone number (31%); pharmacists (30%); and health insurance companies (25%) as consultation sources for the new drug benefit.

Upon closer look, however, it doesn't seem like the Internet or the phone are popular venues to get information. Of the seniors who responded to the poll, 43% said they'd never heard of the 1-800 Medicare number, and 42% were aware of it but have never used it.

Only 6% of the respondents said they had heard of Medicare.gov, and 39% said they'd never heard of the Web site. For those aged 65 and older, 73% said they have never gone online, and 85% said they've never gotten assistance from a friend or family member to visit an Internet site on their behalf to get information about Medicare.

Most of the information isn't access friendly to the average beneficiary, Roslyn Taylor, M.D., a family physician in Savan-

nah, Ga., said in an interview. "Many of the seniors do not have or know how to use computers." Those patients that did "told me that even if they went on the Web site they still were confused."

Thirty-seven percent of the seniors who responded to the survey said they would prefer to get their Medicare information from mailings, and 25% said they would not mind obtaining the information in person from Medicare or Social Security offices. Only 18% cited toll-free telephone hotlines as a preferred method.

Physicians themselves may need a quick tutorial on the new benefits. "I think that a lot of physicians are not aware of the details regarding what new things Medicare is covering—and under what specific rules," said Colette Willins, M.D., a professor at Case Western Reserve University in Westlake, Ohio.

Older beneficiaries seemed more aware of specific benefits. Respectively, 86% and 67% of beneficiaries aged 65 and older knew about the discount drug card, and a \$600 subsidy on the costs of drugs for low-income people. Only 27% of beneficiaries aged 18-64 were aware of the subsidy.

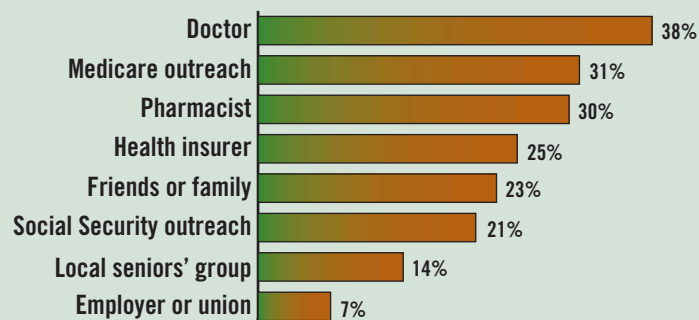
Senior respondents seemed divided on their reported plans to enroll in the drug benefit in 2006. Nineteen percent said they would, 37% said they would not, and another 37% said they hadn't heard enough about the new benefit to decide.

Not all physicians are encouraging their patients to use the new Medicare benefit. "Our community health center has an innovative pharmacy program that makes medications so affordable that we counsel our patients not to participate in the Medicare plan," where they'll end up spending more money, Tillman Farley, M.D., a family physician at the Salud Family Health Center in Fort Lupton, Colo., told this newspaper.

Seniors who responded to the Kaiser survey thought low-income people on Medicare would benefit the most from the new law, although fewer respondents thought it would help the typical Medicare beneficiary.

Only 34% thought it would be very or somewhat helpful to them, personally. "It does seem like a pretty difficult program to explain," Dr. Farley said. ■

Where Do Seniors Turn With Their Medicare Drug Benefit Questions?



Note: Based on a national survey of 1,203 adults conducted Dec. 2-5, 2004.
Sources: Kaiser Family Foundation, Princeton Survey Research Associates International

POLICY & PRACTICE

Hey Medicare: Drugs Aren't Cheap

The 10-year estimate for the coming Medicare Part D prescription drug benefit continues to grow. President Bush's 2006 budget request for the Department of Health and Human Services indicated the cost would total nearly \$1.2 trillion by 2015. Yet, if the reduced spending on drug coverage under Medicaid is factored in, the total for the new benefit is \$724 billion, Mark McClellan, M.D., administrator of the Centers for Medicare and Medicaid Services, told reporters. The Congressional Budget Office estimates that the cost will be slightly higher—\$798 billion. Another CBO update of this projection is expected this month.

Fiscal 2006 Budget Request

The president's 2006 budget request got mixed reviews from health care groups. Some groups objected to a lack of appropriate funding for health professions programs, while others decried the \$60 billion in proposed cuts to Medicaid over the next 10 years. The Association of American Medical Colleges is opposed to cuts "that will further stretch the already taut health care safety net provided by teaching hospitals and medical school physicians," Jordan Cohen, AAMC president, said in a statement. Although pleased with a \$300 million boost for community health centers, Daniel Hawkins of the National Association of Community Health Centers noted that proposed cuts to Medicaid and the National Health Service Corps presented a funding conflict. Not everyone was unhappy with the budget: The American Medical Association praised the budget's efforts to fund tax credit initiatives and expand health savings accounts.

States Meet their Match

States have been known to recycle payments returned by health care providers, using them to draw down additional federal dollars for Medicaid—and the feds are tired of it. The administration's budget request seeks to curb such tactics, by only matching those funds kept by health care providers as payment for services. Current law also allows states to make Medicaid payments to health care providers that are far in excess of the actual cost of services. According to the president's budget request, states use this additional money to leverage federal reimbursements in excess of their Medicaid matching rate or for other purposes. To halt this misuse of funds, the government proposes to limit reimbursement levels to no more than the cost of providing services. Both proposals are expected to save \$5.9 billion over 5 years. "None of these efforts should affect the way physicians get paid under Medicaid," Department of Health and Human Services spokesman Bill Pierce said in an interview.

Controversial Retiree Benefits

AARP is rejoicing now that a federal judge has temporarily blocked a new rule from the Equal Employment Op-

portunity Commission (EEOC) regarding retiree health benefits, but some members of Congress are not. The rule, which the commission approved last April, exempts employers from age discrimination laws when it comes to designing retiree health benefits. The EEOC says the rule is designed to enable employers to better coordinate retiree benefits with Medicare, but AARP says the rule simply makes it easier for employers to reduce health benefits for older retirees, or abandon them altogether. EEOC chair Cari Dominguez said that "any delay in implementing the rule endangers vital protections for retirees." Rep. John Boehner (R-Ohio), chairman of the House Committee on Education and the Workforce, issued a statement saying that "if the AARP is successful with its lawsuit, it will surely cause more workers to lose their retiree health coverage." The judge's action, issued in early February, prevents the rule from being implemented for at least 60 days.

Proposed Wheelchair Rules Issued

In an effort to clarify the requirements, CMS has issued proposed new rules for coverage of wheelchairs for Medicare beneficiaries. Previously, coverage was given to patients who were "nonambulatory" or "bed or chair confined." Under the proposed rules, providers must state whether the patient "has a mobility limitation that prevents him or her from performing one or more mobility-related activities of daily living." The agency also plans to require a face-to-face meeting between the provider and the patient before a scooter or wheelchair can be ordered. Fraud has been an issue for CMS lately regarding power wheelchair coverage: The agency launched Operation Wheeler Dealer in late 2003 after finding that expenditures for power wheelchairs had increased 450% over a 4-year period.

A Level Playing Field for Hospitals

The Bush administration plans to refine the inpatient hospital payment system "to ensure a more level playing field between specialty and nonspecialty hospitals," the president said in his fiscal year 2006 budget request for HHS. The Medicare Payment Advisory Commission has reported that specialty hospitals tend to treat relatively lower-severity patients within them, and lower shares of Medicaid patients. Yet "it's unclear what the effect of these specialty hospitals will be," said Aaron Krupp, senior counsel with the Medical Group Management Association. "One thing MedPAC didn't look at was the quality of services for specialty versus regular hospitals. That angle would be informative," said Mr. Krupp, whose organization supports a free market system. "We are going to have a lot more to say on specialty hospitals in the coming months," when HHS releases its own report, Mark McClellan, M.D., CMS administrator, told reporters.

—Jennifer Silverman