Medicare D Cap Means Some Patients Stop Drugs

BY TIMOTHY F. KIRN
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SEATTLE — Patients taking antidepressants and cholesterol-lowering drugs who are in pharmacy-capped plans, like the new Medicare Part D drug benefit, often stop taking their drugs when they reach the cap, Geoffrey Joyce, Ph.D., said at the annual research meeting of Academy Health.

According to his research, anywhere from 6% to 11% of patients in the Medicare Part D program are likely to hit what is known as the "doughnut hole" of coverage in any given year, said Dr. Joyce, a senior economist with the RAND Corp., Santa Monica, Calif.

The so-called doughnut hole is the gap in coverage that goes into effect during a coverage year when a patient's drug expenditures reach $2,250, and continues until the expenditures reach $5,100. Prior to reaching the doughnut-hole gap, beneficiaries have a $250 annual deductible and pay 25% of their drug costs. After expenditures have reached $5,100, catastrophic coverage kicks in and patients pay only 5% of costs. Within the doughnut hole, patients pay 100% of their drug costs.

Many health economists and others have worried that the Medicare Part D patients most likely to spend their way into the doughnut hole are the sickest patients, and that those patients might become noncompliant with their medication regimens when they surpass their $2,250 limit.

Dr. Joyce and colleagues looked at two employer health plans with drug benefits that had a cap on coverage of $2,500, in order to get an idea of what is likely to happen with the Medicare plan.

In the years considered (2003 and 2004), 7% of beneficiaries in one plan and 11% in the other plan hit the cap.

The median time of year when patients hit the cap was September. However, one quarter of the patients who hit the cap did so in June, meaning they had no drug coverage for a full 6 months, Dr. Joyce said.

Patients did not appear to switch from brand-name drugs to generic drugs in any appreciable degree when they reached the cap. However, some patients did stop taking certain drugs. The most common medications the patients stopped taking were antidepressants and cholesterol-lowering drugs.

What was most concerning about those who stopped was that only about 40% of those who stopped then restarted those drugs at the beginning of the new year, Dr. Joyce said.

Previous studies of drug benefit caps have shown that they do reduce plan costs significantly. In one study of a Kaiser Permanente plan, a cap resulted in 31% lower drug costs. Overall, the Kaiser study found that the capped plan did not result in higher medical care costs. But there were more hospitalizations and more emergency department visits in the capped plan, compared to a noncapped plan. There was also a 22% higher mortality among patients in the capped plan. ■

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