Medicare Part D

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Abstract

This research paper is going to discuss several aspects of Medicare Part D. It will discuss a little history and explain when Medicare part D begun. It will thoroughly explain what Medicare part D is and its cost. It will then go into detail about the extensive coverage and the requirements of the individuals who would like to enroll within the program. Then the paper will talk about how beneficial Medicare part D is for the elderly and individuals who use it.

Medicare Part D

Medicare Part D is very important for our elderly and beneficiaries covered within the program. Help paying for prescription drugs can be a life saver. When the elderly become sick they are prescribed numerous amounts of medications. If they do not abide by their medication regimen it can be fatal. When individuals advance in age they don’t have as much money to spend on buying their prescription drugs. That is where Medicare Part D Steps in. Medicare Part D will be thoroughly explained from details about its history, cost, and its extensive drug coverage.

Medicare has been around for quite some time now. It was signed into law by President Lyndon B Johnson in 1965 (KFF, 2015). In 2003, “The Medicare Modernization Act of 2003 (MMA) established a voluntary outpatient prescription drug benefit for people on Medicare known as Part D” (KFF, 2015). However, it didn’t become effective until the year of 2006. According to Duggan and Morgan, “On January 1, 2006, the federal government began providing insurance coverage for Medicare recipients' prescription drug expenditures through a new program known as Medicare Part D. Rather than setting pharmaceutical prices itself, the government contracted with private insurance plans to provide this coverage” (2008).

Medicare part D is a United States federal-government program to subsidize the costs of prescription drugs and prescription drug insurance premiums for Medicare beneficiaries. Anyone who is a part of Medicare is eligible for prescription drug coverage. You do not have to take an exam or meet any certain qualifications, other than being on Medicare. Medicare Part D cannot and will not deny you for being on an excessive amount of medications. They are required to offer coverage. Medicare Part D is specifically voluntary and you will not be forced to do so if you are covered by any other Medicare plan. According to AARP, “But if you don’t have other drug coverage that’s considered as good as Medicare, and you delay signing up, you’ll incur a late penalty that adds to your premiums for as long as you’re in the program, except in certain circumstances, and you’ll be able to enroll only during open enrollment at the end of the year” (2014). When looking in the textbook it defines Medicare part D in its own way. The book states that it is a “Prescription drug coverage for Medicare enrollees, begun in 2006, which offsets some of the out of pocket costs for medications. Enrollees pay an additional monthly premium for this supplement benefit.” (Zelman, Mccue, Glick). However you word it, it still means the same thing. Part D is the branch of Medicare that pays for the prescription drugs.

The next topic to be discussed is how to actually enroll in Medicare Part D. “You must enroll in one of the private insurance plans that Medicare has approved to provide it” (AARP, 2014). You can do this in one of two ways. The first way is “Through a “stand-alone” plan (PDP) that offers only drug coverage. This type is mainly intended for people who choose to receive their other health benefits from the traditional Medicare fee-for-service program” (AARP, 2014). This type is typically said to be the most common. The second type is “Through a Medicare Advantage plan (MA-PD) that covers both medical services and prescription drugs. This type is for people who choose to receive all their health care services in one package” (AARP, 2014). There is not a set monthly premium for either package. The premium you pay is decided on your income and how extensive your health is. If you require a large amount of very expensive medications your premium may run higher. AARP says that “People with incomes over a certain level pay a surcharge for Part D drug coverage on top of their plan premiums. You pay this surcharge if your modified adjusted gross income, as shown on your latest tax returns, is more than $85,000 (for a single person) or $170,000 (for a married couple filing joint tax returns)” (2014). Even though you have to pay you are still saving a tremendous amount of money. One very interesting thing about Medicare part D is that you pay a different amount of money depending on the time of the year you are in. The AARP website lays it out perfectly. The different stage include deductible, initial coverage period, coverage gap, and catastrophic level of coverage. The deductible means, “you pay full price for your drugs until the deductible amount is met and coverage kicks in. “Full price” means the price your plan has negotiated with each drug’s manufacturer. This price may be less that you would pay retail at the pharmacy” (AARP, 2014). This is very commonly seen. The next one is initial coverage period. Initial coverage period is when **“**Your share of each prescription is either a flat copayment (for example, $20) or a percentage of the drug’s cost (for example, 25 percent). Most plans have three or four levels (known as “tiers”) of copays, rising in price from the least expensive generic drugs through “preferred” brand-name drugs to “nonpreferred” brands and finally to specialty or high-cost drugs” (AARP, 2014). Coverage gap is also known as a doughnut hole. AARP says “In 2014 you pay 47.5 percent of your plan’s price for brand-name and biologic drugs in the gap and 72 percent for generics. The 52.5 percent discount for brand drugs is provided by their manufacturers; the 28 percent discount on generics is provided by the federal government. If your plan provides any coverage in the gap, these discounts are applied to your remaining costs” (2014). The last level that you could be made to pay is the catastrophic level of coverage. This includes “Your share of each prescription is about no more than 5 percent of the cost of the drug. You would also pay a different price if you receive Extra Help or have additional coverage from elsewhere (such as retiree drug benefits or assistance from a state pharmacy assistance program)” (AARP, 2014).

The drugs covered in Medicare part D are endless. According to CMA, “Medicare law defines the drugs that are covered under Part D in relation to their coverage under the federal Medicaid program. Drugs that are mandatory under Medicaid may be covered under Part D; drugs that are optional under Medicaid are excluded under Part D. In addition, Part D drugs must be, approved by the Food and Drug Administration (FDA) for sale in the US, available only by prescription, and medically necessary and for a "medically accepted indication." (2015). Medicare part D also covers insulin syringes, smoking cessation drugs, vaccinations, and combination prescriptions. The drugs that are excluded are drugs that are unnecessary for you to live. Some drugs not included were over the counter drugs, weight loss drugs, weight gain drugs, fertility drugs, and symptomatic relief drugs. Medicare Part D also refused to pay for drugs that pertain to erectile dysfunction, vitamins and minerals, and cosmetic drugs. This is seen as a positive thing by many because the government shouldn’t have to pay for this type of drugs unless it was pertinent to your health. The AARP website states benefit in some enhanced plans. Members may not appeal the denial of excluded drugs and their cost will not count toward TrOOP. In addition, some states may continue to provide coverage of excluded drugs for their dual eligible and SPAP populations” (2014). Even though Medicare Part D doesn’t cover it, there is still assistance.

Medicare Part D is very beneficial to the elderly and their health. According to Kesselheim, “Previous reviews have shown that changes in prescription drug insurance benefits can affect medication use and adherence” (2015). As we age our bodies began to break down and we are more prone to diseases. Then we are typically put on numerous medications to help us function through the pain and deterioration of our bodies. The drugs are not at all cheap. People with Medicare who are eligible for Medicare part D get a relief because their medications are covered. If you do not have any insurance or a way to pay for your medication, typically people do not adhere to the regimen. This leads to many deaths every year in our country. Kesselhiem directed a study which included “comparing the effects of public and private insurance coverage on mortality among patients with HIV during the years 1996 to 1998” 2015. What they found was very interesting. “The study authors found that, relative to absence of coverage, private insurance was associated with a greater survival advantage (79%) than public insurance (66%; P < .05). This difference was attributable to increased use of highly active antiretroviral therapy among patients in private insurance plans; 50% of patients in private insurance plans received therapy early in their care, as compared with 34% patients with public insurance and 32% of patients with no insurance” (Kesselhiem, 2015). There are several studies done to prove that not having insurance to pay for prescription drug usually ends up with a fatal mortality that could have been solved.

Medicare Part D, although extensive, is a wonderful aspect that our government implemented in 2006. It isn’t complicated to apply for benefits and it is not extremely costly. It is based off of your income to ensure that you can afford it. Having coverage for your prescription saves people so much money and saves many lives each year. It ensures that people with serious diseases can get their medications without going broke. Medicare Part D covers every drug you can imagine that will help a person with a longer, healthier life. The drugs that it doesn’t cover are unnecessary and less pricey. Medicare Part D is definitely a benefit to us Americans, especially our elderly.

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