

RESPONSES

First Year Experiences in the Medicare-D Prescription Plan Survey **USC Retiree Community**

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Participants = 95 (Medicare-D plans = 64 Non-Medicare-D plans = 31)

This “Responses” document provides more detail than is included in the “Report: First Year Experiences in the Medicare-D Prescription Plan Survey”

<u>1. Name of Med.-D Plans</u>	<u># of plans offered</u>	<u># completed surveys</u>
United Healthcare	3	0*
AARP MedicareRx	(1)*	23
Humana	3	20
Aetna	3	8
RX America Advantage	2	5
Blue Cross	3	2
Community Care Rx	3	2
Blue Shield	2	1
Coventry Advantra Rx	3	1
Medco Health Solutions	1	1
United American	1	1
Cigna-Cignature Rx	3	0
Health Net	2	0
PacificCare	3	0
Prescription Pathway	6	0
SilverScript	2	0
Unicare	3	0
WellCare	3	0

of insurers = 18 **# of Plans = 47** **# of Completed surveys = 64**

*AARP is one of United Healthcare’s three plans. No respondents enrolled in the other 2 that were available.

2. **Has anything surprised you about the plan you chose?**

AARP

- | | | |
|-----|---|---|
| No | 9 | |
| Yes | 9 | It's better than I anticipated
I can get my medication for less at Costco without using the plan.
Equipment related to medical conditions is difficult to manage for insurance reimbursement
Mail order prescriptions take much longer to process and receive in comparison with my former experience with USC Senior Care.
I'm still not saving a significant amount of money
How expensive the base price of the drugs is and how fast the "donut hole" arises
HIGH cost of brand name drugs
The "donut hole"
Not enough coverage in terms of amount before the "donut hole" was reached. The prescriptions are bought at a high price now because there is NO discount until December 31. I reached the "donut hole" in May, 2006. Not only a surprise, but a shock..
How quickly you get to the "donut hole" and how much the drugs cost
The cost the plan is paying for the drug |

Aetna

- | | | |
|-----|---|--|
| No | 4 | |
| Yes | 3 | The objective of Aetna to NOT provide drugs if at all possible and the establishment of procedures not communicated to the subscriber which prevent obtaining drugs in a timely fashion. |

Humana

- | | | |
|-----|----|--|
| No | 10 | |
| Yes | 7 | It's better than I anticipated
Its ease of use is greater than I expected
That I have actually saved money
Pleasantly. Humana and Costco keep track and send monthly statements.
How expensive my prior plan was by comparison.
It was hard to get an OK for 90 days at a time as I had been doing.
The total price of the drugs seems high. This is important for when one reaches the "donut hole." However, I suspect this is a weakness of all providers and reflects the design of the "Part D Drug Plan."
The plan's stated cost of a particular drug is/was (often) overstated. For example, in one case they said the drug cost to them was \$100 when I got the same drug from Drugstore.com for \$12.
This has been toned down but they are still doing it to some |

(Humana cont.)

extent. This has no effect on me because I have coverage for the “gap” so my yearly drug costs are irrelevant. I do not expect to reach the “gap” but I purchased the gap coverage in case those costs should rise dramatically (e.g., with cancer or some other such condition).

RX America

No 2
Yes 2

The lack of help in getting issues resolved
Only one (named drug) that was included in the formulary before Medicare D was not included when the plan began. The generic versions of the drugs I take cost about the same with Medicare D as I can buy them over the internet from Canada. The problem is trying to decide which plan to subscribe to is a two part problem: 1. What is included in the plans formulary and, 2. What are the prices I will be charged.

Blue Cross

No 2

Blue Shield

No 1

Community Care Rx

Yes 1 The high cost of the prescriptions.

Coventry AdvantraRx

No 1

Medco

Yes 1

United America

No 1

Medicare-D participants who were surprised by their plan = 42%

Non-Medicare participants who were surprised by their plan = 15%

3. **I am willing to be contacted about the plan I chose this year if that would be helpful to another USC person**

AARP Medicare Rx

Ginny Ainsworth
Peter Berton
Bob Biller
Roy Choudhury
Frances Feldman
Lois Friss
Max Gaspar
Robert S. Harris
Elaine Lawson
Maxine Marmor
Alex McEachern
Jack Nilles
Mary Randall
Gil Siegel
Robert Smith
Samuel Taylor
Joe Titone
Ken & Sally Williams
William J. Williams

Aetna

Daniel & Josette Antonelli
Clarke & Janelle Howatt
Burton Marcus
Howard Saperston
Rex Soutar
Robert Stanton

Blue Cross

Clive Grafton
Gordon Cohn

Community Care Rx

Louise Ball
Herb & Beatrice Farmer

Coventry AdvantraRx

Hans Kuehl

Humana

Connie Ahrons
Donna Kay Boettcher
Alvin Cooperband
Jim Eddy
Joan Ewing
Joan Hill
Ken Hill
Richard Kaplan

(Humana cont.)

Sadye Lawson
Glenda Mourer
Elizabeth Redmon
Robert Shpall
David B. D. Smith
Elaine Steward
Ruberta Weaver
Lynn Williams

Rx America

Jeanne & Bob Church
David McConaughy
Bill Petak
Bob Scales
George Bekey

United American

Carole Gustin

4. **Have any of your prescriptions been dropped by the plan you chose?**

AARP Medicare Rx

Some were not offered at the beginning

Yes 1

No 21

Aetna

Yes 2

No 6

Blue Cross

No 2

Blue Shield

No 1

Community Care Rx

Yes 2

Coventry AdvantraRx

No 1

Humana

Yes 1

No 19

Medco

No 1

RX America

Yes 3

No 1

United American

No 1

5. **Have you had to appeal the availability of a drug & and what was the outcome?**

<u>AARP</u>	Yes	1	Denied
	No	21	
<u>Aetna</u>	Yes	1	Changed prescription
	No	6	
<u>Blue Cross</u>	No	2	
<u>Blue Shield</u>	No	1	
<u>Community Care Rx</u>	Yes	1	Tried phoning, my request was refused, and I didn't bother to appeal further
<u>Coventry AdvantraRx</u>	No	1	
<u>Medco</u>	No	1	
<u>Humana</u>	Yes	2	Both approved
	No	18	
<u>RX America</u>	Yes	3	I phoned, was denied, and gave up trying. Approved (with an MD note)
	No	1	
<u>United American</u>	No	1	

6. **Price increase since 1/1/06 and level of increase if any:**

These questions were not well framed. There was a lack of clarity on whether the reference was to all of the drugs you take (comparing January to September), some of the drugs you take, or any of the drugs you take. So, no data is reported by plan. Pooling all respondents to the question of whether there had been a price increase:

No answer	2
Don't know	26
No	25
Yes	11

Almost half of the respondents did NOT know whether they had experienced a cost increase.

7. How satisfied are you with the plan you chose? (1= Not at all, 5=highly)

	<u>Scale number</u>	<u>No. of Survey responses</u>	
<u>AARP</u>	1	2	
	2	4	
	3	5	
	4	9	
	5	2	<u>Average = 3.2</u>
<u>Aetna</u>	2.5	1	
	3	4	
	4	1	
	5	1	<u>Average = 3.4</u>
<u>Blue Cross</u>	4	1	
<u>Blue Shield</u>	3	1	
<u>Community Care Rx</u>	2.5	1	
<u>Coventry AdvantraRx</u>	5	1	
<u>Humana</u>	1	1	
	2	1	
	3	1	
	4	4	
	5	10	<u>Average = 4.7</u>
<u>RX America</u>	1	1	
	3	1	
	4	1	
	5	2	<u>Average = 3.6</u>

Average (all Medicare-D sample) = 3.8

Average (all non-Medicare-D sample) = 4.2

8. **What are the major strengths and/or weaknesses of the plan you chose?**

AARP Ratio of # of weaknesses to strengths in comments --- 11/9

Weaknesses

For the drugs I take, there appears to be little difference from my previous plan

Have not gotten anything from it; do not like to be forced to have it.

The high cost of the medications

The high quoted cost of medications – no evidence of savings from bulk buying.

Difficulty including prescribed equipment necessary for medical purposes

I don't like the way we pay by having a monthly coupon to submit with a check.

Almost all of the drugs that I order are brand name – Preferred or Non-Preferred, with a high cost per drug.

The “donut hole” is too big and had to get an MD's justification for a rather common drug

The charges for a fairly common blood pressure medication (Lotrel 5-20) are much higher than anticipated. The new plan is much more costly than the old USC Senior Care plan and more difficult to use. Without the Part D drug plan by having M.D.'s prescribe generics, I would save by purchasing at CostCo and not paying monthly premiums plus exorbitant costs. Where's the benefit?

When I faxed my doctor's prescription order, one prescription was not original (it had been faxed to me by my doctor). They insisted the doctor fax them the prescription directly. While this was going on I ran out of pills and the pharmacy charged me \$76.00 for 10 pills (until the 90-day mail supply arrived). The plan sent me a special form to fill out, but in spite of monthly phone calls for three months now, I still have not received the \$70 refund which I am owed. All other transactions have been processed quickly and efficiently.

I do not have the amount of coverage I need. There is not enough coverage in terms of the discounts. I am in a worse situation this year than I was last year before the Medicare-D program was forced on me. My prescription bill is doubled this year if not more. I have had to discontinue really expensive meds like an Advair inhaler because the cost is too high (500/50) – approximately \$225 for each month.

Strengths

I have found the ease of use is good (in Florida), good records and reports from AARP, and I have confidence in AARP.

I was able to include all our present drugs, there was no deductible, and the lower cost.

So far the paperwork has been fine

I receive a monthly printout of my drug costs/balances.

It's convenient and doesn't cost so much.

A Rite Aid Pharmacy is very convenient

Not sure – I only take two prescription drugs, so am probably not a good example of how this works.

Not sure – I cannot yet tell whether this is an improvement, worsening, or no change from pre-2006 costs.

Not sure – I haven't studied it enough yet to know

Aetna

Ratio of # of weaknesses to strengths in comments --- 1/2

Weaknesses

Aetna makes it difficult to obtain the drugs. The rigid and non-responsiveness of the company to communications – most of the time not responding at all.

Strengths

95% of brand name drugs are covered

This plan provides very good coverage on generics and level 2 brands, but very little savings on level 3 brands. Many medications do not have generic equivalents. Since it is the total cost of the medication (out of pocket plus what the plan pays, getting to the “donut hole” may be surprisingly fast.

Blue Cross

Weaknesses

None identified

Strengths

My medications are covered so far

Despite being wary, I’ve not been surprised or disappointed by anything related to the drug program. I am satisfied but I’m always waiting for the other shoe to drop. I will probably do an evaluation before the year is up, measuring my monthly contributions and payments to see my total outlay and determine whether it is worthwhile to explore another plan.

Community Care Rx

Weaknesses

I was forced to take the new Plan D because I am with USC Senior Care. As of the end of August I am told I am at the “donut hole” even though I moved to generic drugs and over the counter drugs for 50% of my pharmaceuticals.

Coventry AdvantraRx

Strengths

The formulary of this plan covered all the drugs I use with a lower cost than comparable plans.

Humana

Ratio of # of weaknesses to strengths in comments --- 4/9

Weaknesses

Mail order plan does not seem to offer any advantage – my former plan had a much more cost effective mail order.

Difficult to get prompt answers and reasonable explanation why a prescription is not covered.

Change of mail-order pharmacy was made without my knowledge in the beginning (the publicized pharmacy could not handle the volume), but the new arrangements are satisfactory.

Have to be very careful when getting prescriptions.

Strengths

Humana has been courteous and helpful in all my contacts with them

It is inexpensive.

It is accepted by Costco and many drugstores and it is computerized to keep track automatically deduct drug plan fee so I pay only the balance.

There is no charge or co-pay for generic drugs; the number of pharmacies is broad and we have a brand new CVS close to us so we are satisfied with our choice

I have USC Senior Care which used to cost me \$270 per month, (and that included a drug plan but no dental or optical insurance). Now, my USC Senior Care costs me \$175 per month and it gives me dental and optical insurance. That saves me \$95.00 per month and \$95.00 per month for my husband as he has the same Senior Care as me. That combined \$190 per month more than covers the co-payments for the drugs we need to buy each month.

The coverage is satisfactory

Good customer service; low monthly premiums; completeness of the formulary (at least for me); excellent web site; prompt mail order service; quarterly summary of drug costs; complete documentation on the plan(s); availability of three plans that span the possibilities of need better than any others I looked at.

Low monthly premium, very simple enrollment process

I have had no problems

So far so good.

Medco

Weaknesses

I have some difficulty with their website and payment withdrawal from my checking account.

RX America

Ratio of # of weaknesses to strengths in comments --- 3/2

Weaknesses

Unwillingness to offer support or to fill physician's orders.

Difficult getting our doctor and plan to communicate on a prescription for Celebrex

(RX America cont.)

I'm not sure it saves any cost over buying drugs from low cost sources without the plan. For now, I'm still subscribing from an insurance standpoint that in the future my wife or I may need an expensive drug. I believe the net effect of the Medicare-D program may be to allow the pharmaceutical companies to keep prices higher than they would if we had a Canadian style bulk buying plan.

Strengths

The clinic is across the street from where I live and the pharmacy delivers daily to my residence.

The plan covers a large fraction of the cost of my prescriptions and I have no work to do; the pharmacy does all the work. The plan sends me a summary of the costs each month. For example (on a named drug), I paid \$37.01 out of a total cost of \$148.02.

9. Do you intend to stay with your current plan?

AARP	Not sure	10	
	Yes, probably	2	
	Yes	9	43%
Aetna	Not sure	2	
	Yes	5	71%
Blue Cross	Not sure	1	
	Yes	1	
Blue Shield	Yes	1	
Community Care Rx	Not sure	2	
Coventry AdvantraRx	Yes	1	
Humana	Not sure	4	
	Yes	15	79%
Medco	Yes	1	
RX America	No	1	
	Yes	3	75%
United American	Yes	1	

Staying with your current plan? (All in sample) **Yes or yes probably** = 66%

10. Any other comments?

AARP

I expect AARP to help lead good coverage and service.

Very prompt service

I don't take too many medications.

Will compare prices and formularies first, but the competition will be stiff as to whether we renew with this plan.

The plan sounded "good" but the USC Senior Care plan was "very good."

I object to the Medicare Prescription Drug Coverage plan. I only take 1 medication, do not get it through the plan, yet am forced to pay monthly under the threat of big penalties in the future.

My AARP coverage has ended for the year. The assorted drugs I need for my heart are very expensive. I'd naturally like the coverage increased.

The program is weak.

I suspect my physicians were not as cost conscious before as they are now with Medicare Part D. I had no coverage before. I have had two expensive drugs since 1/1/06 for which I only paid \$28 (tier 2) rather than closer to \$100 for the total cost of each before.

I am a bit concerned about going into the "donut hole", but I don't think I probably will. I do always ask my doctors about a generic drug if they are changing a prescription.

The "donut hole" calculation is different for **entry** than it is for **exit**. For entry, you get to the \$2,250 "donut hole" entry level by the sum of the high total prices quoted by the plan and your co-pays – which causes you to get there faster than you expected). The **exit** (getting out of it at the \$3,600 level where 95% of your costs will be covered is driven only by what you have paid personally (the sum of your earlier co-pays and the entire high quoted prices you pay later while you are in the "donut hole"). Your monthly plan fees do not count. So, you can get out of the "donut hole" (to the safety of the "plan pays 95%" level) much more slowly than you expected. It does make the "bulk buying" model of Canada clearly more attractive (which passes the savings directly to the consumer), and I do not wonder at how fiercely the pharmaceutical industry fought for this Medicare plan over a plan more akin to Canada's.

I and my husband are both retired USC professors. We live in Florida and do not have health insurance benefits as much as if we lived in California. Is there a better plan USC will make for prescription coverage that would "cover" retirees living in Florida?

I think this survey may be a little early for most raises in drugs and plan costs.

Aetna

The Medicare-D program is overly complex, inconsistent from plan to plan, and a money maker for the drug makers for the drug companies who accept the government and subscriber payments and then do everything possible to avoid providing cost-effective product.

Blue Cross

I am very grateful for the USC Board of Trustees support for the Health Stipend and the recent increase in its amount.

Blue Shield

I pay more now than before I was a Medicare recipient. This is ridiculous!!

Community Care Rx

It appears my cost will be double my expenditure last year. The price this plan pegs as the cost of drugs seems excessive. They refuse to fill (a named drug) forcing me to (a named drug) which is \$181 retail per month.

I have thought of changing to Blue Cross for next year just to have a basis of comparison. I think the whole system is unnecessarily complicated.

Humana

So far so good...

For my three drugs I found other drug plans at least twice as expensive and my monthly payment is only \$5.40.

I started with the least expensive (of 3) Humana plans and I will revisit that decision and reconsider the other two plans. Any information, experience, suggestions from this survey will be useful. Thanks for doing it.

I use very few drugs, so this plan has worked well for me. My mother-in-law, however, uses a great many drugs. She has the Humana Complete program. I know she has had no drugs dropped from her list and she has not had to appeal. She is very pleased.

I am using USC Senior Care (a Medicare Supplement), which offered a drug coverage component which appeared reasonable and convenient. When Medicare Part D was offered, USC Senior Care stopped its drug coverage. My premium decreased from \$270/mo. to \$175/mo., but Sr. Care added Dental and Vision. I estimated that Sr. Care had a drug premium of almost \$100/mo – which is significantly higher than my Part D premium. Additionally, my co-pay for generics is lower

(Humana cont.)

than was Sr. Cares, although brand-name drugs are more expensive (but not \$100 a month!).
The 100% payment for drugs after the \$2,250 has been reached (the “donut hole”) is likely to pose a serious challenge
Only professional and knowledgeable insurance representatives are capable of cutting through the maze and explaining any of the available plans that available to seniors.

RX America

RX America is owned by Longs Drugs and I will now not do business with Long’s Drugs
I must take a Vitamin B product that is not considered a “prescription drug” even though it is only sold by prescription. I got a lengthened prescription and went to the internet and bought a six month supply. The prices vary so much that it’s really difficult to know what the real cost you have to pay really is until after you get the drugs. And then it seems to be slightly different each time. I think they are struggling at first and have gotten better.

United American

Unless they make significant changes to the plan, I intend to stay with them. I got a postcard this week that said they would be sending information on next year’s plan. It is amazing how quickly one can fall into the “Black Hole of Calcutta.”

Respondents' Non-Medicare-D Plans

Most of USC's 2,100 retirees appear to have had Medigap coverage (or been covered in a spouse plan where that benefit was provided) where prescription drug coverage continued in 2006. These persons (basically all but the approximately 400 USC retirees who had elected USC Senior Care as their Medigap insurance) had no need to switch to Medicare D. A number of these persons, however, also responded to the survey (i.e. persons with no Medicare-D prescription drug plan). Their responses to several of the questions of interest as a point of comparison with the experiences of those who were enrolled in USC Senior Care.

Name of plan?

Blue Cross	4
Blue Shield	1
Delta Health Plan	1
Healthnet – HMO	1
Kaiser Permanente	9
Loma Linda	1
Medco	2
PacificCare	1
Scripps	1
Secure Horizons	3
Sun Health (Ariz.)	1
Tricare	2
United Health Care	1
USC Network	3

Anything surprised you? Yes = 15% (vs. 42% for Medicare-D sample)

Level of satisfaction? Average for all non-Medicare D reporting = 4.5
vs. Medicare-D sample = 3.8

Medicare-D Survey – Methodology

These are the conventions we used in the survey.

Survey Construction: The survey instrument was constructed and reviewed by several persons. It was distributed on September 13 with a return deadline of October 6 so that we could compile the results prior to the open meeting scheduled on October 24 from 10:00 to 11:30 a.m. in the Gerontology Building Auditorium.

Medicare D and other PPO plans: While the instrument was intended only for those with experience this year with a Medicare-D plan, a number of persons who did not need to enroll provided us data about the PPO and other arrangements they were using for drug coverage. We kept those data separate, but have used several items for comparison between these two groups of respondents.

Responses: The number of responses we have noted refer to the number of completed questionnaires that were returned. While many survey instruments were returned by a couple, we could not consistently interpret these responses in terms of potential data yield. So we recorded data from a returned survey once (not twice).

Respondent inclusion: We have included data from every respondent who provided at least their own name and the plan in which they participate.

Respondent name inclusion: We did not include respondent name other than on the list of those willing to answer questions about the plan they are using.

Sample size: We did not compute averages for any plan with fewer than five participants.

Comments inclusion: We have included comments grouped by plans chosen.

Price rise: Few people answered these questions and since everyone's prescription drugs may be unique, it is hard to interpret the meaning of different experiences. Some say prices have increased and others did not – and many have not yet figured out their own situation.

Report provision: We have provided a copy of the report to every participant who provided us email, fax or a mail address. Any of these persons who would like a copy of the summary of data responses from which the report itself has been prepared may get one by contacting either Carole Gustin (cgustin@usc.edu) or Bob Biller (biller@usc.edu). A copy of the report will be provided to anyone else who has an interest in receiving it and requests the report from Carole or Bob.