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News

Drug plan may go unused by many

Ready or not, here it comes, officials say

Tuesday, June 01, 2004

By Bill Walsh

Washington bureau

WASHINGTON -- Starting today, low-income people on Medicare will have the chance to tap into a \$600 subsidy, courtesy of the federal government, to help pay for their prescription drugs.

But health advocates and government officials worry that many of those eligible either don't know about it or aren't sure how to apply, raising the specter that people most in need of assistance won't get it.

"We fear that because of a lack of information, people will not be enrolled for the \$600 because they don't know about it," said Ruth Kennedy, who works with low-income seniors through the Louisiana Department of Health and Hospitals. "We're very concerned."

The federal government estimates that 180,000 Louisianians are eligible for \$216 million in drug assistance through 2005. But Kennedy predicted that tens of thousands of them won't sign up because they don't know about the program, aren't aware they are eligible or aren't sure how to enroll.

The new law, creating a private-sector discount program and a low-income subsidy, was written at a snail's pace, developed over years of difficult political wrangling and increasing public demands for relief from soaring prescription drug prices. But since the law was signed Dec. 8, the implementation has been a whirlwind.

Regulations were written. Letters went out. More than 100 companies vying to sell discount cards were vetted, along with their marketing material. An interactive Web site was launched to help Medicare recipients choose the best card for them. A hotline was set up to answer questions.

Starting May 3, seniors and disabled people in Medicare were able to peruse drug discount card offers, and those with low incomes -- below \$12,569 annually for individuals and \$16,862 for couples -- could apply for a \$600 credit toward the purchase of their prescriptions. Another \$600 is available next year.

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They can begin drawing on their new benefits today.

Abundance of choices

But the hurried election-year rollout of the discount card program, the first phase of broader Medicare changes starting in 2006, hasn't been smooth. The Web site, www.medicare.gov, has suffered glitches. And the hotline, 1(800) MEDICAR, which got 3.5 million calls this month, has produced long wait times.

Many of those problems have been corrected, government officials say, and even some independent senior advocates say the federal agency in charge, the Centers for Medicare and Medicaid Services, has been unfairly maligned.

"Up to a few weeks before (the Medicare law) passed, there were questions about whether it would," said Scott Parkin, spokesman for a newly formed national coalition set up to spread the word about the new subsidy. "To have done what they have done between then and now is just amazing. They have a gigantic call center, a pretty powerful Web site. No one has done anything like that before."

The program has been partly hampered by its own complexity. To get the \$600 subsidy, recipients must first sign up for a discount card, and there is an abundance of choices. The cards, which can cost as much as \$30 each, are offered by a wide assortment of companies including health insurers, pharmacy chains and a firms known as pharmacy benefits managers.

For example, a 70-year-old in New Orleans who takes the popular drugs Zocor, Prevacid and Fosamax has 34 discount cards to choose from, all offering slightly different prices and enrollment fees and different pharmacy affiliations, according to the Medicare Web site.

But critics complain that the best information, which is on the Web site, may miss some of its target audience -- seniors -- because many don't go online.

Outreach is difficult

"It's almost essential that you use the Web. It's difficult making a comparative decision without it," said Patricia Newmore of the nonprofit Center for Medicare Advocacy. "This is a benefit that will rely on a lot of people getting assistance from someone else."

Outreach is even more complicated in Louisiana, advocates say, because of higher-than-average illiteracy rates and widespread rural poverty that renders education about a new program time-consuming and costly.

"I'm particularly concerned about the rural poor," said Patricia DeMichele, Louisiana AARP director. "It's a very hard group to get at."

Among those living close to New Orleans, interviews showed an awareness of the new program but a wariness and a lack of information, even among those that qualify for the \$600 drug subsidy.

"I can't afford to fool with any of these things," said Augustine Forbes of Marrero. "If I got a card, it could help me, but it wouldn't hurt me, right?"

Federal efforts

New efforts on the federal level to aggressively target potential enrollees are

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gearing up. Thursday, Health Secretary Tommy Thompson announced a \$4.6 million grass-roots grant program to get the word out through local community-based organizations. The bulk of the money will go to the nation's 30 largest metropolitan areas, which don't include any cities in Louisiana.

The briskest enrollment in the card program has occurred in the seven states -- Pennsylvania, Connecticut, Massachusetts, New Jersey, Michigan, New York and Maine -- that have been automatically signing up eligible recipients.

Since those states have been providing financial aid to low-income seniors to help them buy drugs, identifying those eligible for the new federal subsidy was not difficult. The states send a letter to eligible seniors asking to respond if they want to opt out. Otherwise, in all but Connecticut, the states sign them up with a discount card and apply on their behalf for the \$600 subsidy.

Louisiana isn't eligible for automatic enrollment because the state Legislature, partly for budgetary concerns, has resisted setting up a pharmacy assistance program. Outreach locally has been spearheaded by the Department of Insurance's Senior Health Insurance Information Program, or SHIIP, which is financed through the federal government.

Program Director Alan Heumann said he and his staff have delivered about 70 presentations around the state on the new Medicare drug discount card since the start of the year. The Department of Insurance also has run statewide radio ads about the discount card.

Asked whether eligible Medicare beneficiaries were getting the word, Heumann said, "We'll have to wait and see."

Lack of coordination

Another major player in the state has been AARP, which has done public presentations, developed an educational booklet and run television and print advertisements.

DeMichele, the Louisiana AARP director, said the quick rollout of the new program has made outreach difficult. The names of participating discount card companies and the prices they charged weren't publicly available until late April.

"Six weeks doesn't give you much time to be very sophisticated in outreach," she said.

Kennedy, of the state Department of Health and Hospitals, said the local outreach has lacked coordination. Yet, she said, a model is close at hand.

Two years ago, the state Department of Health and Hospitals won a grant to identify and enroll low-income seniors eligible for other federal programs, including one that pays their full \$799 annual Medicare premium. Since the Medicare Savings program was launched, it has signed up 14,799 people.

It has teamed with social service agencies that run food stamp programs for seniors, worked through faith-based organizations and even had announcements made at bingo nights throughout the state. The agency is looking at holding training sessions for doctor's office receptionists, who are often on the front lines of health care concerns.

"We have the infrastructure in place," she said.

Kennedy estimated that some 51,000 already signed up for other Medicare assistance programs might be eligible for the new \$600 subsidy.

"We have their names and addresses," she said.

But the health agency, she said, has been largely kept out of the outreach loop. Kennedy said that in a conference call late last year with the federal Center for Medicare and Medicaid Service, she offered to have the state health agency lead the drug card outreach campaign, but grant money went to the SHIIP program in Department of Insurance instead.

Even Heumann, the SHIIP director, said it's not clear to him that the Insurance Department is the best home for the program. While it has expertise in health insurance, he said, it lacks the network of contacts among seniors to get the word out.

Kennedy sounded a note of urgency, and frustration, about the outreach effort.

"How long is it going to take logistically to get people on board to reap these benefits?" she asked. "It should be ready and wrapping up instead of just getting off the ground."

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Bill Walsh can be reached at bill.walsh@newhouse.com or (202) 383-7817.

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