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2.4M participants switch prescription-drug plans

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Jan. 31--Out of frustration, Loren Williamson, 57, of Lodi was just about ready to dump Medicare's Part D drug benefit this year.

His Prescription Solutions plan cost him \$37 per month in premiums in 2006 and they were going to charge him an additional \$5 every month in 2007 plus increase his drug co-payments. On top of that, the insurer stopped covering three of his important -- and expensive -- drugs in the middle of last year, leaving him to fend for himself.

The back-and-forth phone calls and paperwork to get an explanation proved to be a nightmare. And when he called to cancel his policy during the 45-day open-enrollment period that ended Dec. 31, he was hung up on three times.

"Sometimes it's hard to get through to those people," Williamson said this week.

In the end, he enrolled with a drug plan from Blue Cross that costs him \$34 per month and covers all his medications.

Had he not reviewed his coverage and just stayed with his first insurance provider, Williamson -- who is disabled -- would be paying more money for a service that wouldn't adequately meet his needs.

Williamson is among the 2.4 million people -- or about 10 percent of all Part D enrollees nationwide -- who switched plans between 2006 and 2007, according to federal officials who updated reporters Tuesday on the Medicare drug program that was first implemented one year ago this month.

Of those who changed, 1.1 million were beneficiaries receiving the extra help subsidy for low-income individuals who were moved automatically so they would not have to pay increased premiums.

About 7 percent of all non low-income beneficiaries changed plans, and during the recent open-enrollment period there were about 900,000 enrollments, including 350,000 completed online.

Of the more than 43 million Medicare beneficiaries eligible for Part D drug benefits, more than 39 million now have some form of creditable prescription-drug coverage, including 24 million enrolled in Part D stand-alone plans or Medicare Advantage plans with drug coverage. Another 7 million retirees are enrolled in employer- or union-sponsored programs that receive the Retiree Drug Subsidy; 3 million are in federal retiree programs such as TRICARE; and 5 million are receiving drug coverage from alternative sources such as the Veterans Administration.

In California, with the highest participation of any state, more than 3.6 million Medicare beneficiaries were enrolled as of Jan. 16, including 1.3 million in Medicare Advantage plans, 623,000 in stand-alone plans and 940,000 automatically enrolled because they receive both Medicare and Medi-Cal benefits.

Open enrollment for Medicare Advantage plans will continue through March 31. As part of its outreach effort, Medicare has encouraged people such as Williamson to review their plans.

"These strong efforts to get beneficiaries to prepare and compare paid off. Our tracking surveys conducted this month indicate that 85 percent of seniors were aware of the open-enrollment period and over 50 percent reviewed their current coverage," said Leslie Norwalk, acting administrator of the Centers for Medicare and Medicaid Services.

"Among the 600 seniors surveyed, 34 percent reported comparing plans, and over half of these seniors evaluated premium, deductible or co-pays, and coverage -- that is, their comparisons appeared to be thorough," she said.

Norwalk said the implementation of Part D in 2007 has run far smoother this month than it did in January 2006.

Critics note, however, that problems do persist affecting thousands of beneficiaries and that systemic changes to Part D are called for.

Judith Stein with the Connecticut-based **Center for Medicare Advocacy** Inc. said thousands of people have been mysteriously disenrolled after participating in a plan in 2006, most often those low-income individuals who were automatically enrolled and did not change plans.

"They won't find out until they go to the pharmacist for the first time this year and they are not covered. Also, none of the plans are the same this year. Many have changed co-pay requirements and increased it over last year. We are going to find people quite surprised who went to the pharmacist this month," Stein said.

She said Congress needs to redesign Part D to create a standardized benefit available nationwide and administered through traditional Medicare rather than private insurers, calling it more valuable to more beneficiaries and more cost-effective for taxpayers.

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