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Medicare offers more drug plan choices

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By Christopher Snowbeck and Joe Fahy, Pittsburgh Post-Gazette

Allegheny County residents eligible for the federal Medicare health insurance program who found last year's array of choices confusing may want to brace themselves: They will have even more options this year when considering whether to buy Part D drug coverage.

The government yesterday released complete information about all plan options around the country, and there were 89 plan options locally for most beneficiaries, in addition to four plans for patients with special needs. Last year, when the Part D program was launched, there were about 70 options in Allegheny County -- enough to leave some consumers baffled by the choice.

Polls suggest that many consumers would "prefer fewer choices rather than more," said Jack Hoadley, a health policy researcher and political scientist at Georgetown University. In two polls of seniors taken late last year and early this year by the Kaiser Family Foundation, a majority of respondents said that having many plans to choose from "makes it confusing and difficult to pick the best plan."

But government officials say all that choice has meant significant savings for seniors due to competition. A separate report released yesterday by the Centers for Medicare and Medicaid Services concluded that savings generated by the prescription drug program have been stable throughout 2006, and could even increase in 2007.

Compared to what people with Medicare would pay without prescription drug coverage, the beneficiaries included in the study would save an average 53 percent off the costs of their current prescription drugs in 2007, up to a maximum of 68 percent through the lowest-cost plans available, the government reported.

The popularity of the benefit among Medicare beneficiaries is one reason why more Part D plans are being offered this year, Dr. Hoadley said. Many Medicare recipients eventually signed up for a plan last year, he said, even though they found the process confusing and complicated.

This year, "more organizations would like to compete to pick up some of that business," he said.

Locally, the increase in plan options apparently is a function of a few new companies doing business in the market -- names such as SierraRx and HealthSpring weren't among the choices for local consumers last year -- and expanded options from existing players. UPMC Health Plan, for example, announced that it will sell a new lower-priced HMO with drug coverage.

Medicare beneficiaries can select a new Part D plan during an open enrollment period that begins Nov. 15.

In Pennsylvania, nearly all beneficiaries who are already enrolled in Medicare prescription drug plans will be able to remain in their current Part D plan, the government says. That's because almost all plan sponsors are either continuing their current plans in 2007 or streamlining and consolidating their 2006 plans.

The lowest monthly premium for drug coverage in Pennsylvania is \$14.80 -- up slightly from last year -- and four plans have a premium below \$20 a month. Beneficiaries with limited incomes who qualify for extra help will have a range of options available for comprehensive coverage, the government says.

Slightly more than 1 million of the 2.2 million Medicare beneficiaries in Pennsylvania enrolled in Part D plans during 2006. Many of those who didn't enroll had prescription coverage through another source, such as an employer-sponsored drug plan for retirees.

As was true last year, beneficiaries can purchase either "standalone" drug coverage that works in conjunction with the traditional Medicare program, or coverage provided in conjunction with a Medicare health plan, which also covers doctor and hospital care.

Local consumers can select among 69 standalone drug plans and 20 health plans that include Part D benefits, according to what showed up yesterday in a search of Medicare's "Plan Finder" Web site.

"I know Allegheny County, and the southwest area in general, is one region that saw the greatest increase in the whole state," said Jack Vogelsong, director of the state's Apprise health insurance counseling program. "We've seen with the private drug plans eight new companies come in this year, with 13 new products."