

Office of External Affairs

MEDICARE NEWS

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**ENHANCED TOOLS AVAILABLE TO HELP PEOPLE WITH MEDICARE
IMPROVE THEIR HEALTH CARE
Plan Performance Measures Show Further Improvements
New Information and Tools Will Enhance
Medicare Drug Plan Finder**

Beginning in mid-October, people with Medicare will have new and enhanced tools to help them learn more about their Medicare health care coverage, including comparative information about the services provided by their Medicare prescription drug plans. In addition, the Centers for Medicare & Medicaid Services (CMS) reported that nearly all exceptions and appeals filed by people with Medicare were decided within seven days as required by CMS guidelines.

“The vast majority of Medicare beneficiaries are reporting that they are happy with their prescription drug coverage and their prescription drug plans, and we want to help every beneficiary get the coverage that works best for them,” said CMS Administrator Mark B. McClellan, M.D., Ph.D. “Most beneficiaries will be able to stay in the same plan next year, and they won’t have to do anything this Fall unless they want to look at other options. For anyone who wants help, it’s available anytime just by calling 1-800-MEDICARE or logging on to medicare.gov.”

As part of the My Health. My Medicare. initiative, beneficiaries and those who are assisting them have access to new and enhanced tools to help them get the most out of their Medicare benefits. These tools, available at www.mymedicare.gov and www.medicare.gov, will make it possible for beneficiaries to:

- Compare the costs, benefits and other information about Medicare health and drug plans in their community,
- Track the status of Medicare claims,
- Learn about the many preventive benefits and screenings people with Medicare are eligible to receive,
- Find physicians and specialists; and
- Compare the quality of health care providers, including hospitals, nursing homes, and other providers.

Recent studies of Medicare beneficiaries enrolled in prescription drug plans report that the majority of them are satisfied with the program, including the customer service that plans provide. Complaint rates to Medicare have been declining. In July, CMS received approximately 1.4 complaints per 1,000 Medicare beneficiaries enrolled in prescription drug plans about those plans. This compares to a plan complaint rate of 1.7 per 1,000 that CMS received in June about issues that were under the control of the plan to resolve. The total complaint rate in June of 2.3 per 1,000 reported previously included some complaints (about 0.6 per 1,000) that were best resolved by Medicare. CMS will report the plan-related complaint rates at the plan level from now on.

Plan call centers at the prescription drug plans continue to answer both beneficiary calls and calls from pharmacists promptly. Almost all plans averaged under two-and-a-half minutes time to answer calls. More than 90 percent of beneficiary calls are answered, on average, in under one minute and in most cases, a live person is reached within one-and-a-half minutes. Pharmacy calls are also answered in less than a minute and it took an average of 10 seconds longer to reach a live person.

Medicare has also helped to resolve “re-determinations” of plan coverage decisions, but there have been fewer such complaints that could not be resolved by the plan than many had expected. Since January, there have been less than 0.5 reconsideration (2nd level appeal) requests per 1000 beneficiaries, and nearly all reconsideration requests filed by people with Medicare were decided within seven days as required by CMS guidelines. Additional details on Part D reconsiderations will be available at www.cms.hhs.gov/apps/media/?media=facts.

Finally, CMS has issued more than 2,800 letters of warning to health plans in 2006, and the triggering issues have generally been resolved, again helping to contribute to the high levels of beneficiary satisfaction with the drug benefit. These include corrective action plan requests, notices of non-compliance, warning letters, and notices that information was being suppressed from the Medicare Drug Plan Finder. Letters addressed a wide range of issues, including call center performance, inaccurate data on the Medicare plan finder, and inadequate exceptions and appeals-related information on sponsors’ websites. In total, 92 percent of all Part D sponsors have received at least one compliance letter.

“We are pleased to see a decline in the number of complaints we are receiving about the plans, but we are still monitoring the complaints to help us and the plans find the causes of any problems and fix them as quickly as possible,” said Dr. McClellan. “Because information on customer service is an important indicator of quality, we will be posting complaint information and other plan performance information on the Medicare Drug Plan Finder so beneficiaries can see how their own plan compares to others in serving their customers.”

Another reason for the high level of beneficiary satisfaction is beneficiary cost savings. Updating an initial study of savings on a wide range of commonly used sets of drugs, CMS has found that beneficiary savings continue to remain high. For common “baskets” of drugs, beneficiaries can save between 44 to 72 percent through a range of available plans. Beneficiaries who switch to generic drugs are seeing savings of as much as 76 percent and even savings of up to 82 percent are possible for beneficiaries who also switch to lower cost therapeutic alternative brand name drugs.

These savings have been largely stable since the program began. Over the nine-month period from December 2005 through August 2006, the average prices paid by Part D enrollees for the commonly used baskets of drugs here have gone up by less than 1 percent. Thus, increases in the average prices for these drugs have been significantly below both medical inflation and general inflation, providing access to substantially discounted prices to beneficiaries even while in the coverage gap. As a result, costs paid by beneficiaries for their drugs have been largely stable, and in many cases have declined over the year. The updated savings report can be found at www.cms.hhs.gov/apps/media/press/release.asp?Counter=1967.

The enhanced Medicare Drug Plan Finder will be available beginning in Mid-October and will be tightly integrated with the updated Medicare Coverage Options tool, making it easy for people to get personalized comparisons of their health plan choices along with their drug plan options. Users will be able to get estimates for their total annual health costs, including costs for their drugs. Online enrollment will also be available for most plans. By the time open enrollment begins, additional plan performance information will be made available, as well as:

- Plan information for both 2006 and 2007 so users can compare any changes to their plans;
- Tools to allow users to compare plans on price, benefit and out-of-pocket costs;
- A tool to narrow plans down by state and preference, such as identifying plans with no coverage gap or those with low premiums; and
- Tools to identify and view available Medigap plans.

Beneficiaries will also get the *Medicare & You 2007* handbook in October, the annual handbook that explains Medicare coverage. This year, *Medicare and You* highlights the preventive services available to people with Medicare, including a wide range of screening services.

“There’s a lot happening this fall to help people with Medicare get the most out of their Medicare,” said Dr. McClellan.

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