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Medicare drug coverage could be worse

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Medicare coverage of prescription drugs begins Jan. 1. Confusion about what plan to choose has made headlines. But these stories mostly miss the fact that only poor people are actually at risk of losing drug coverage.

For people only covered by Medicare, the federal health plan for the elderly, glitches could delay getting a new benefit. For "dual-eligibles'' — people on Medicare who, because they are poor, get additional coverage, including drugs, via another federal program, Medicaid — the glitches could result in tragedy.

In New York state alone, there are more than 600,000 people at risk. Roughly 200,000 of them have cognitive impairments, including long-term psychiatric disabilities.

Here's a possible scenario: John Smith has had schizophrenia for 20 years. After a long period of psychological instability, he found a medication that works. Since then, he has avoided acute psychotic episodes and led a satisfying life. Medicaid has paid for his medication. Then he got a letter informing him that Medicare will cover his prescription drugs beginning Jan. 1. He can choose a plan, or do nothing and be automatically enrolled in a randomly selected plan. Separately, information was provided about the plan's network of pharmacies, about the drugs its "formulary" covers and about co-payments. To get information about alternative plans, he was told, he can visit a Web site, call Medicare, call the state Health Insurance Assistance Program or attend educational events.

Mr. Smith does nothing. On Jan. 2, he goes to his pharmacy only to be told that the pharmacy is not covered by his plan, or that some of the drugs he takes are not covered, or that there is a co-pay of $1 or $3 for each of the drugs he uses. He could end up not getting his

medication. His mental and/or physical condition could deteriorate. He could have a recurrence of acute psychosis.

There are tens of thousands of John Smiths in New York state, and they are all at serious risk. Some may end up in hospitals and nursing homes; some may end up homeless; some may end up in jails or prisons; and some may die.

To avert tragedy, two kinds of action need to be taken: federal and state policy changes; and consumer education.
The simplest way to avoid tragedy is to run a dual system for six months or a year so that people who cannot continue to get the drugs they need through new Medicare plans would automatically continue to have Medicaid coverage.

Other policy decisions that would help: a 90-day supply of medications at the end of 2005; Medicaid coverage of co-payments; and extension of New York State's EPIC program to people with disabilities.
Both the federal and New York State governments are aware of the risks and have taken some steps to address them. For example, the federal government has set up a computerized system — not yet tested — to cover people not auto-enrolled because of a glitch. And New York state has said that state Medicaid will cover all medically necessary prescription drugs available in the state's Medicaid program if they are not covered by Medicare — after appeal.

Good decisions, but they do not cover all the possible gaps.

The transitional process is likely to be exceedingly difficult for people shifting from Medicaid to Medicare. Consumer education regarding their choices and about how to get coverage is essential.
The federal government has developed several educational mechanisms, including advertising and an interactive Web site. New York state is providing training and a Web site. And mental-health providers, trade associations and advocates are stepping up to help the people they serve.

But it will not be easy to educate people. I have sat through several training sessions, and always get confused and have unanswered questions. Mostly, I've come to understand that there will not be one plan that works for everyone because individual circumstances are so different.

For this reason, despite all the efforts by government, providers, and other groups, I remain nervous that a significant number of people will be left without drug coverage for some time. It brings back disturbing memories of the early 1970s when I tried to help people with disabilities make the transition from locally managed welfare benefits to the federally managed Supplemental Security Income (SSI) system. People lost their housing. People came to us for food. People came to us to help them get the benefits they theoretically had.

There is a remarkable effort under way now to keep people from getting lost in transition. I hope it will be enough. But I wouldn't bet on it.
