Faced With Part D Gap, Some Go Without Drugs

BY TIMOTHY F. KIRN
Sacramento Bureau

SEATTLE — Patients taking antidepressants and cholesterol-lowering drugs who are in pharmacy-capped plans, such as the new Medicare Part D drug benefit, often stop taking their drugs when they reach the cap, Geoffrey Joyce, Ph.D., said at the annual research meeting of Academy Health.

According to his research, anywhere from 6% to 11% of patients in the Medicare Part D program are likely to hit what is known as the "doughnut hole" of coverage in any given year, according to Dr. Joyce, who serves as a senior economist with the RAND Corp., Santa Monica, Calif.

The so-called doughnut hole is the gap in coverage that goes into effect during a coverage year when a patient's drug expenditures reach $2,250, and continues until the expenditures reach $5,100.

Prior to reaching the doughnut-hole gap, Medicare Part D beneficiaries have a $250 annual deductible and pay 25% of their drug costs.

After expenditures have reached $5,100, catastrophic coverage kicks in and patients pay only 5% of costs.

But within the doughnut hole, patients pay 100% of their drug costs.

Many health economists and others have worried that the Medicare Part D patients most likely to spend their way into the doughnut hole are the sickest patients, and that those patients might become noncompliant with their medication regimens when they surpass their $2,250 limit.

Dr. Joyce and his colleagues looked at two employer health plans with drug benefits that had a cap on coverage of $2,500, in order to get an idea of what is likely to happen with the Medicare plan.

In the years considered (2003 and 2004), 7% of beneficiaries in one plan and 11% in the other plan hit the cap.

The median time of year when patients hit the cap was September. However, one quarter of the patients who hit the cap did so in June, meaning they had no drug coverage for a full 6 months, Dr. Joyce said.

Patients did not appear to switch from brand-name drugs to generic drugs in any appreciable degree when they reached the cap. However, some patients did stop taking certain drugs.

The RAND Corp. study found that 6%-11% of patients in the Medicare Part D program are likely to hit the 'doughnut hole' of coverage in any given year.

The most common medications the patients stopped taking were antidepressants and cholesterol-lowering medications, the RAND investigators found.

One factor that proved most concerning about those who stopped taking their medication was that only about 40% of those who stopped then restarted those drugs at the beginning of the new year, Dr. Joyce said.

Previous studies of drug benefit caps have shown that they do reduce plan costs significantly.

In one study of a Kaiser Permanente plan, for example, a cap resulted in drug costs that were 31% lower.

That study also found, however, that there may be a price to pay for curtailing drug benefits too drastically, according to Dr. Joyce.

Overall, the Kaiser study found that the capped plan did not result in higher medical care costs. But there were more hospitalizations and more emergency department visits in the capped plan, compared to a noncapped plan.

That study also found that there was also a 22% higher mortality among patients in the capped plan.

Given the higher hospitalization and emergency department visit rates among these patients, the finding that medical-care costs were no higher is probably a statistical anomaly, and is not accurate, Dr. Joyce said.

In the RAND Corp. study, Dr. Joyce said the investigators have begun looking at ancillary costs that might be associated with the failure of patients to fill prescriptions that they otherwise would have filled.

That analysis is not yet completed, according to Dr. Joyce. ■