



## Medicare drug coverage? 'The system is not designed to help you'

*Dispatcher: 911, what's your emergency?*

*Caller: America's healthcare system is broken and people are dying! (ambulance siren)*

Welcome to Code WACK!, where we shine a light on America's callous healthcare system, how it hurts us and what we can do about it. I'm your host, **Brenda Gazzar**.

This time on **Code WACK!** What do Medicare beneficiaries need to know about open enrollment and their drug plans? How can they get free and unbiased help in navigating their Medicare options? To find out, we spoke to **Steve Maas**, a freelance writer and retired Boston Globe editor. The Maryland resident volunteers for something most often referred to as the **State Health Insurance Assistance Program or SHIP program**, a federal-state partnership that offers free counseling on Medicare and Medicaid. Steve spoke to us about prescription drug pricing for Medicare Part D, which provides prescription drug coverage for Medicare recipients, and about Medicare Advantage plans on his own behalf – and not on behalf of SHIP. This is the second of two pods with Steve Maas.

(5-second music stinger)

**Welcome back to Code WACK! Steve.**

(00:58):

**Maas:** Thank you. Glad to be here.

(01:14):

***Q: So what's the best way for a Medicare beneficiary with Part D to figure out their most affordable options for buying their prescription meds?***

(01:23):

**Maas:** Yeah, I would recommend contacting your senior center and making an appointment with a counselor just because, I mean, you can do it on your own and I'll explain how, but just because ... the counselors will have knowledge of what drugs tend to be overpriced on Medicare and you can better get them through a GoodRX (site) or something like that. But the other way you can do it, everybody can go to Medicare.gov and they can sign up on there and basically they ask you for your Medicare card number and your date of birth and a few other details. And they have the Plan Finder there where you enter the drugs that you take, you enter the pharmacies that are possible – ones that you might shop at – and it will compare plans for you. That's really the only way to figure out which plan is best for you, unless you take no drugs at all, in which case you just go with the plan that has the cheapest premium.

Oh, and one other thing, you do need to have a drug plan or you'll get penalized down the road when you sign up. If you choose to say, I don't need drugs right now, I don't, if you wait five or 10 years, they're going to tack a penalty on and you'll live with that for the rest of your life.

(02:32):

**Q: Wow. Does that vary by state to state?**

(02:35):

**Maas:** No. Roughly speaking, it's the median premium and it's 1% of that per month. So it's, the medium premium is \$30. It would be 30 cents times the number of months that you have not so if it's been five years that you've gone without a drug plan since turning 65, you would pay that's what, 60 months times 30 cents – whatever it is. So it could get to be pretty hefty and you'll pay that for the rest of your life and when I encounter people who have gone 20 years without a drug plan, sometimes it's not worth it at that point.

[\(03:08\)](#):

**Q: It's not worth it for them to do what?**

[\(03:10\)](#):

**Maas:** To pay it with the penalty. You know, we just look at what drugs they take and see if they can get it through a coupon or something in some other way. And the choices are you either have a part D plan or you have a plan that's embedded in Medicare Advantage.

[\(03:24\)](#):

**Q: Right. So is the process different for someone who has a Medicare Advantage plan versus a Part D plan?**

[\(03:31\)](#):

**Maas:** Medicare Advantage drug plans tend to be, in my experience, they tend to offer wider coverage, but I have no scientific data to back that up. But often I'll see the pricing is a little cheaper than with a Part D plan and also in many areas, you can get a zero premium Medicare Advantage plan, whereas drug plans, the cheapest drug plan that I know of is \$7.40 cents a month.

[\(03:59\)](#):

**Q: Yeah, interesting. So when you say the Medicare Advantage is a zero premium, you're talking about not just for drugs, but for everything?**

[\(04:07\)](#):

**Maas:** Yeah, you start out with a zero premium and then you pay copays. You still have to pay the Medicare Part B premium, but you don't have to pay....it's like being on a PPO or an HMO and you may pay nothing to see your primary care doctor, but to see a specialist might cost you \$45 and it gets even higher if you can have an MRI or hospitalization.

[\(04:32\)](#):

**Q: Interesting, okay. So if somebody's on a Medicare Advantage plan and they come to you, could you help them also?**

[\(04:39\)](#):

**Maas:** Yes and we look at the drug pricing, that's one thing, but there's a lot of other apples and oranges because plans have doctor networks and if it's an HMO, you have to stay within the network. If it's a PPO, you pay more if you go out of network and the plans vary on their copays. On some plans, an MRI might be \$140 on another plan, it may be a \$300 copay. And some of them offer, you see the ads, Joe Namath and so forth. Very few will pay you part of your premium; they're kind of overselling that. But Medicare Advantage plans tend to have some dental, tend to have better vision coverage than traditional Medicare so they do throw in some goodies.

But you know, whether it's the best thing for you depends on how stable your health is, your tolerance for uncertainty and that's a discussion I tell people. I discuss the pros and cons with people and there's no right decision because when it comes to risk, for example, because you could end up paying a lot more on Medicare Advantage or a lot less, it depends on how healthy you are. Some people have a tolerance for risk. Some people have a bank account that can tolerate risk. It really varies with the individual.

[\(05:58\)](#):

***Q: Right, right. Thank you. So if someone is taking or was recently prescribed three common drugs – Atorvastatin, which was the cholesterol drug you mentioned, Metformin for diabetes and Estradiol for menopause or for certain types of cancer, let's say they've already been taking these prescriptions and need to figure out what's the best part D plan to buy for the upcoming year. How would they go about doing this? What would you recommend?***

[\(06:28\)](#):

**Maas:** I would plug those into the (Medicare) Plan Finder and we would see which plan comes up best. Now, depending on what time of year you do this, different plans will come up and that's because if you're doing it at the beginning of the year, you'll get the best choice. But the reason is that let's say a plan has a \$480 deductible. If you're starting in January, you have 12 months to work off that deductible. But if you're looking right now in October, you have only three months and of the three medications you mentioned, the Estradiol is the one that is most likely to face a deductible so that's going to make a difference in the plan. The other two medications tend to be pretty common generics in there, they're not that expensive. But I would still use the plan finder to define which plan's best.

(07:15):

Now, one of the things I do with the Plan Finder, and especially if we're doing it right now, so we have three months left in the year, and I did look at those drugs, you had mentioned them earlier to me, and the plans that came up, you know, started at like a \$34 a month premium and, and then went up. Some of them were higher than that, and that's because of the Estradiol and I'm not sure if I'm pronouncing that right, but if you're talking about the most common thing that women take is an insert that they take twice a week, they use twice a week. It's a pill and generally you can look on one of those coupon websites and find it cheaper than what you would pay at least pre-deductible on most Medicare plans. So I would say, let's go, let's go ahead and see if you can get it through a coupon site cheaper and pull it out of the list and then I would do the calculation just based on the two common generics, and that way they'd end up with a plan that's \$7.40 a month or \$13 a month.

(08:17):

***Q: Hmm. Okay. Yeah, that's better. And then just to remind our listeners, the coupon sites are GoodRX.com and what else?***

(08:25):

**Maas:** Goodrx.com, SingleCare, there's a number of them you can look at on the web and the pricing will be different with each of those sites and at different drug stores, I mean, CVS may come up as the best or Costco, it really varies and you know, I know this is a pain. I mean, nobody wants to spend their retirement years shopping like this and that's why you know working with a counselor can be helpful.

(08:52):

***Q: Yeah and by the way, that's usually free, right?***

(08:56):

**Maas:** It is free and we're volunteers. We don't get commissions and that's an important thing to mention because if you go to an insurance agent, they're not going to tell you about products that don't give them commissions, so.

(09:09):

***Q: Right. So good. And so if they're midyear on an existing plan and just got new prescriptions for these three drugs, is there a different process that you'd recommend or not?***

[\(09:22\)](#):

**Maas:** Unless their income is low enough to qualify for one of these state programs, it allows them to change plans in midyear and that income, you'd have to check with what your state is. Again, a Medicare counselor can help with that. If you're able to change plans, you might find a plan that's better for that medication. You can also look again at an online coupon, either at a drugstore in the United States or look at one in Canada. You can appeal. Your doctor can appeal to the insurance company and say, this person needs this medication. And why? And get them either to put it on the formulary if it's not already on the formulary or if it's high tier on the formulary, maybe place it lower tier on the formulary. More than likely the medication is already on the formulary unless it's something more exotic like a cancer medication.

[\(10:13\)](#):

So, you know, if your plan is covering it already, you might be trying to get them to step down. One common thing that happens is ... there is like atorvastatin is generic of another medication, I think Lipitor, but I'm not positive. They both have the same active ingredient, but the coating may be different. There's some inactive ingredients that may be different. So some people may not be able to tolerate the Atorvastatin and have to use the brand name drug, and the brand name is often not on the formulary or is on a very high tier. So that's where a doctor can make a pitch to the insurance company saying, 'my patient just simply can't take that.'

[\(10:45\)](#):

***Q: Okay. So can you buy prescriptions at the same time? Like let's say we have these three drugs and pay for them in different ways, like buy the Atorvastatin and Metformin with your Part D plan and then buy the Estradiol with a coupon?***

[\(11:00\)](#):

**Maas:** Yes. Yeah. And you can buy them at different pharmacies. There are some plans which they claim to have a preferred pharmacy, and some of the drugs that they're non-preferred pharmacies are actually cheaper than the preferred pharmacies. So if you really want to analyze, I'm the kind of person who likes to shop, I mean to get the best deal, but that's a lot of time spent on it and some people would rather be doing something more fun with their time, like walking on a nice day. But you, you can mix it up. One thing to keep in mind, if you are using a coupon, the money you're spending can't be applied towards the deductible. So sometime, it may turn out that it's worth buying if you're starting at the beginning of the year, it might be worth paying more to

meet the deductible in order to get to the lower deductible price afterwards. That's when, you know, we're doing a little calculation, a judgment call.

[\(11:54\)](#):

***Q: Right. Good to know. What about if you're on Medicare, can you use a manufacturer's coupon?***

[\(12:01\)](#):

**Maas:** In most cases, no, and I think Medicare's reasoning is that those coupons sometimes steer people to drugs that in the long run are more expensive to Medicare than other medications. And how this pricing goes on is beyond me. I mean, it's pretty technical, but there are some cases where you can use a coupon, and there are sites, there's a site called NeedyMeds.org It's just like, it sounds – NeedyMeds.org – that will tell you about patient programs that drug companies provide and also about programs that are offered by nonprofits to help subsidize the cost of drugs.

[\(12:40\)](#):

***Q: Oh, wow. That's great. And do you generally have to meet certain criteria to qualify?***

[\(12:46\)](#):

**Maas:** Generally income, but sometimes your income can be as high as \$125,000 and you still qualify. In the case of foundations, they may have set aside X amount of dollars and they might have run out by the time you put in your application. So yeah, but the pharmaceutical companies will state right out whether, you know, they ask you a series of questions and one of the frequent disqualifiers is “are you on Medicare?” And that's not the pharmaceutical company's decision, that's Medicare's decision.

[\(13:18\)](#):

***Q: Got it. Thank you. Steve. I know we've covered a lot of ground today. Can you summarize your most important message for us? What do you want to leave our listeners with today?***

[\(13:28\)](#):

**Maas:** It's very important, most important right now is to set up an appointment with a counselor to check your drug and all of your plans, because all the insurance plans changed during open enrollment for the next year and I have seen swings, I've seen people who if they stayed on the plan that they were on, could have ended up

spending a thousand dollars more than if they had switched. That's not uncommon. And according to I think it's Kaiser Family Health statistics, about half of Americans do not check their drug plans every year so you could really end up spending a lot more money. And if you're on a Medicare Advantage plan, the terms may change. For example your plan may have fixed costs if you go out of pocket this year, like if you see a specialist that may be \$55 now. Next year, they might say you pay a copay of 40%.

[\(14:26\)](#):

That's a huge difference because 40% of what? You don't know what the figure's going to be. I also, whenever you get a new medication or if ever a price seems to be high, too high to you, check the online coupon searches like GoodRx or ask the pharmacist to run a check. But there's nothing rational about this. It is all over the map. So don't try to make any logical sense out of it. I mean that's the first thing we learned in Medicare class is just put away your logical mind. And believe me, as I said, I have dealt with college professors, I've dealt with mayors, I've dealt with all sorts of people, hundreds of people over the years and there's not a stupid question. There's no stupid questions. The fact that you can't figure this out is not your fault. The system is not designed to help you.

[\(15:23\)](#):

***Thank you Steve Maas. You can Google the SHIP program in your state or county to find out how you can talk to a SHIP counselor about Medicare or Medicaid.***

***Do you have a personal story you'd like to share about our 'wack' healthcare system? Contact us through our website at [heal-ca.org](http://heal-ca.org).***

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