

GAO Finds Information Overload and Enrollment Delays in Medicare Prescription Drug Benefit Plans

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Today's report underscores the work waiting for the new administration. CMS must require prescription drug plans to explain themselves to beneficiaries in plain language so that they have the opportunity to make informed choices," said Dingell. "As of now, plan descriptions are too long, overly complicated and needlessly confusing."

Every year, from November 15th through December 31st, the 17.5 million Medicare beneficiaries in prescription drug plans have the option of choosing a new plan. In 2008, approximately one million beneficiaries did so. To help beneficiaries with the prescription drug plan selection process, each fall plans are required to send packets of information explaining how benefits will change in the next year and outlining the exact specifications of coverage options. These packets are long and dense. GAO reports that the plan descriptions mailed this year were approximately 50 pages long and as much as 100 pages. In addition, GAO reports that the packets are so jargon-filled that beneficiaries cannot understand them and that "much of the information contained in the (plan mailings) was too general in nature or irrelevant to the reader, making it hard for beneficiaries to determine how changes would affect them personally."

GAO notes that two of the plans they examined were able to deliver individually-tailored messages explaining to beneficiaries how their benefits will change for the drugs they are taking. I want to know why all plans can't provide that simple bit of information. It's the least we should expect for the billions we're spending on these plans every year," Dingell continued.

The report states, "although CMS and plan sponsors made improvements to the enrollment process, about one in seven of roughly 1 million beneficiaries who chose to switch drug plans during the 2008 (election period) were not fully enrolled in their new plan by January 1, 2008." GAO continues, "as a result, stakeholders reported inaccurate charges or payments to beneficiaries, pharmacies, and sponsors as well as additional administrative burden." For those switching plans, enrollment delays heighten the risk that beneficiaries will not be able to access the drugs they need and may have to pay increased prices at the pharmacy. GAO recommends creating a processing window during which CMS and plans could complete the paperwork before coverage begins on January 1, a practice used in the federal employees health benefits plan.

"GAO shows that CMS and plans have substantially improved their processing time for new enrollment, for which I congratulate them," said Dingell. "However, the status quo is still unacceptable. CMS, drug plans, and pharmacies need to keep working to make sure that beneficiaries who sign up for a plan actually get covered, and Congress should consider GAO's recommendation as part of its review of Medicare prescription drug plans next year."

The complete report is available at <http://www.gao.gov/new.items/d094.pdf>.