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# Drug Plans in Medicare Start Effort on Marketing

By [ROBERT PEAR](#)

WASHINGTON, Sept. 30 - Starting on Saturday, millions of Medicare beneficiaries will be flooded with advertising and solicitations from insurance companies inviting them to sign up for dozens of prescription drug plans with different premiums and benefits.

More than 40 options will be available in almost every state, the Bush administration said Friday. Most prescription drug plans will deviate from the standard minimum benefit defined by Congress.

In many plans, the initial amount that must be paid by a beneficiary, the annual deductible, is less than the \$250 envisioned by Congress. In most states, a few insurers will provide coverage for drugs in the so-called coverage gap, reducing the costs that beneficiaries would otherwise have to pay.

Medicare beneficiaries - 42 million people who are 65 and older or disabled - will have a veritable supermarket of prescription drug plans from which to choose. As an alternative in most states, they can obtain drug coverage through managed-care plans, which also cover doctors' services and hospital care.

The number of choices offers something for nearly everyone on Medicare, but also increases the potential for confusion. In [Oregon](#), 20 companies will offer 45 stand-alone drug plans, with monthly premiums ranging from \$6.93 to \$64.99.

"It's mind-boggling," said the Oregon Medicare coordinator, Cindy Becker. "If you try to explain the whole program at one time, people will be shellshocked. You have to give it to them in small doses."

The premiums for free-standing drug coverage start as low as \$1.87 a month, under a plan offered by Humana in a seven-state region made up of [Iowa](#), [Minnesota](#), [Montana](#), [Nebraska](#), [North Dakota](#), [South Dakota](#) and [Wyoming](#). The monthly premiums range from \$13.58 to \$99.90 under three drug plans offered in the same region by a consortium of Blue Cross and Blue Shield companies.

Angela Feig, a spokeswoman for Wellmark Blue Cross and Blue Shield in Des Moines, said its \$99.90 plan provided "Cadillac coverage," with no deductible and no coverage gap. In addition, Ms. Feig said, it covers many more brand-name drugs than the low-cost plan. In New York, federal officials said, the monthly premiums range from \$4.10, under

the Humana low-cost plan, to \$85.02, under a plan offered by HealthNow New York, based in Buffalo.

A plan offered by the UnitedHealth Group and AARP, the lobby for older Americans, is available nationally, but charges vary by state. The premium is generally \$23 to \$26 a month.

People can enroll starting on Nov. 15. Coverage begins on Jan. 1.

Critics of the 2003 Medicare law, which set up the drug benefit, have attacked the standard benefit as inadequate. Dr. Mark B. McClellan, administrator of the federal Centers for Medicare and Medicaid Services, said Friday, "Most plans will offer benefits that go well beyond the standard Medicare coverage."

Under the standard' coverage, a beneficiary will be responsible for a \$250 annual deductible, 25 percent of the costs from \$251 to \$2,250 and all of the next \$2,850. The gap in coverage, also known as a doughnut hole, lasts until the beneficiary incurs total drug costs of \$5,100 next year. Beyond that point, Medicare will pay about 95 percent of the cost of each prescription in 2006.

Beneficiaries will soon be deluged with marketing material and application forms. Advertisements will run in newspapers and magazines and on radio, television, billboards, posters and the Internet. Many beneficiaries will also receive telephone calls, offering drug coverage and other health-related products.

The policy director of the AARP, John C. Rother, said he had no idea how many beneficiaries would enroll.

"The jury is out in terms of enrollment and public acceptance," Mr. Rother said. "Half of Medicare beneficiaries have no clue that the new program is on its way."

He said the benefit would be a lifesaver to millions of Americans, adding, "People will get the medicines they need to stay alive."

Virtually all plans have lists of preferred drugs, known as formularies. The Bush administration said those lists included most of the drugs used by Medicare beneficiaries.