



Medicare Choice and Impact Study

September 2014

eHealth Medicare Choice and Impact Study - Introduction and Summary

This report presents an analysis of over 22,000 consumers who used the online Medicare plan comparison tools at eHealthMedicare.com and PlanPrescriber.com during Medicare's 2014 Annual Enrollment Period ("AEP," also referred to the Annual Election Period). Among users, the study found that only five percent (5%) of people on Medicare were in the Medicare plan that provided the lowest total out-of-pocket costs for their prescription drugs.

The study also found that, among the same users, forty-two percent (42%) of people on Medicare would hit the prescription drug coverage gap (Medicare's donut hole) in 2014. But, by switching to the lowest cost plan, the number of people hitting the donut hole drops to nineteen percent (19%).

eHealth's study underscores the value of reviewing one's stand-alone Prescription Drug Plan (PDP) and Medicare Advantage Prescription Drug (MA-PD) coverage during the AEP. A 2010 study by the Robert Wood Johnson Foundation found that only about 10 percent of Medicare Part D plan participants change their coverage annually¹. This year's AEP, when beneficiaries are free to change their Medicare coverage options, will take place between October 15, and December 7, 2014.

eHealth's analysis of Medicare prescription drug coverage was generated from over 22,000 user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com during the 2014 Annual Enrollment Period, between October 15 and December 7, 2013. Over 17,000 user sessions were used to compare stand-alone PDPs, and over 5,000 user sessions were used to compare MA-PD plans.

Medicare Advantage Prescription Drug Plan (MA-PD) Potential Savings

Among those enrolled in MA-PD plans, eleven percent (11%) who used eHealth's plan comparison tool were in the lowest cost plan, based on their personal drug regimen. Those who switched to the lowest cost plan in 2014 could have saved an average of \$218 annually over their existing MAPD, according to the study.

Stand-Alone Prescription Drug Plans (PDP) Potential Savings

Among those enrolled in stand-alone PDPs only three percent (3%) were in the PDP with the lowest total out-of-pocket costs, based on their specific drug regimen. Those who switched to the lowest cost plan in 2014 could have saved an average of \$961 annually over their existing PDP, according to the study.

Donut Hole Analysis

eHealth also found that more than two-in-five users (42%) would hit Medicare's prescription drug donut hole in 2014, if they kept their existing MA-PD or PDP. By switching to the plan with the lowest total out-of-pocket costs on prescription drug, another twenty-four percent (24%) could miss the coverage gap, provided their drug regimen did not change throughout the year. Altogether, by keeping their 2013 plan, fifty-eight percent (58%) of users would miss the donut hole in 2014. By switching to a lower cost plan for 2014, the number of users who would miss the donut hole would increase to eighty-one percent (81%).

Most Popular Drugs among Users & The Conditions They Are Often Used to Treat

eHealth also found that a high number of Medicare beneficiaries are searching for generic forms of popular prescription drugs. The top 10 drug searches performed on the site were for generic versions of popular name-brand drugs. The list includes:

1. Omeprazole DR, a generic version of Prilosec – commonly used to treat gastroesophageal reflux disease (GERD)
2. Amlodipine Besylate, a generic version of Norvasc – commonly used to treat high blood pressure
3. Simvastatin, a generic version of Zocor – commonly used to treat high cholesterol
4. Clopidogrel, a generic version of Plavix – commonly used to treat coronary artery disease
5. Metformin, a generic version of Glucophage – commonly used to treat type II diabetes
6. Tamsulosin, a generic version of Flomax – commonly used to treat symptoms of enlarged prostate
7. Hydrochlorothiazide, a generic version of Dyazide – commonly used to treat hypertension
8. Fluticasone, a generic version of Flonase – commonly used to treat asthma and allergic rhinitis
9. Atorvastatin, a generic version of Lipitor – commonly used to treat high cholesterol
10. Hydrochlorothiazide, a generic version of Norvasc – commonly used to treat high blood pressure

Consumers should consult with their doctor about the proper uses of any of the pharmaceuticals mentioned in this document. The data presented here is for informational purposes only. It should never be used as a substitute for professional medical advice. You should always consult with your medical provider regarding diagnosis or treatment of a health condition, including decisions about the correct medication for your condition, as well as prior to undertaking any specific exercise or dietary routine. The information contained in this article is accurate as of the date of publishing.

Why Out-of-Pocket Costs For Prescription Drugs Change

Changes to one's prescribed medications aside, the price a Medicare beneficiary pays for his or her prescription drugs can change significantly because many Medicare prescription drug plans change the pricing, benefit tiers and formularies of their drug plans from year to year. Typical changes that are made may include:

- The drugs covered by a plan
- The plan's monthly premiums
- The plan's annual deductible, coinsurance and co-payments
- The plan's drug tiers, which are used to assign different coinsurance amounts and co-payments to specific drugs

Any one of these changes may affect what an enrollee pays out of pocket for his or her drugs on the same PDP or MA-PD from one year to the next. In some cases, the lowest-cost plan for an enrollee's personal drug regimen in one year may not be the lowest-cost plan in the following year.

Cost Savings for Plan Switchers

The table below details potential savings after calculating all costs — including monthly premiums, co-payments, coinsurance and deductibles — for people who used eHealth’s online Medicare plan comparison tool.

Plan Type	Potential Average Annual Savings by Switching Plans	Potential Average Annual Savings by First-Time Enrollees	Percent of Users in Lowest-Priced Plan
Stand-Alone Prescription Drug Plan (PDP)	\$961	\$2,215	3.34%
Medicare Advantage Prescription Drug Plan (MA-PD)	\$218	\$2,225	10.67%

The actual savings estimated during user sessions can vary depending on things like geographic location, plan selection and other factors. The benefits and coverage may also vary between plans. The average savings presented in this report are based on user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com only.

Survey Methodology

This report analyzes more than 22,000 user sessions that occurred on eHealthMedicare.com and PlanPrescriber.com during the 2014 Annual Election Period (also called Annual Enrollment Period or AEP), which took place between October, 15 and December, 7, 2013. During that time there were over 17,000 user sessions in which a person identified their current Medicare Prescription Drug Plan (PDP) and one or more prescription drugs they were taking. In addition, over 5,000 user sessions occurred in which a person identified their current Medicare Advantage Prescription Drug (MA-PD) plan and one or more prescription drugs they were taking.

The Medicare plan comparison tool at eHealthMedicare.com and PlanPrescriber.com compares users’ existing plans to other plans available in their areas. The tool calculates the users’ known prescription drug costs, including monthly premiums, co-pays, coinsurance and deductibles. The tool then provides each user with an estimate of their total out-of-pocket costs for the year, which includes a plan’s monthly premiums and cost-sharing for prescription drugs.

The information users were required to provide in order to be counted as currently enrolled in a PDP or MA-PD plan included their zip code and the name of their existing PDP or MA-PD plan. In the user sessions used for this analysis, customers also included the names, dosages and frequency of any prescription drugs they were taking. Their average annual savings were calculated by subtracting the customer’s total estimated out-of-pocket spending on their current plan — including monthly premiums, deductibles, coinsurance and co-payments — from the estimated out-of-pocket spending on the plan recommended by eHealth’s Medicare plan comparison tool.

For price comparison, this study assumes no changes in prescription or medical needs, as well as no changes in rates or drug prices during the applicable time period.

NOTE: Medicare beneficiaries base their plan selections on a variety of priorities, including price. eHealth encourages people to consider their specific needs in deciding which plans to select during AEP. Plan data listed in this report might change based on additional data received from the Centers for Medicare & Medicaid Services (CMS) at a date later than the active date of the data or later than the published date of this report.

Notes:

¹ Robert Wood Johnson Foundation, RWJF-Funded Study Finds Medicare Part D Too Complex for Many Doctors, July 29, 2010, <http://www.rwjf.org/humancapital/product.jsp?id=66208>

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Medicare has neither reviewed nor endorsed this information.