

Medicare Prescription Drug, Improvement and Modernization Act

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Abstract

This article basically deals with the details of Medicare Modernization Act (MMA), the specific schemes that would be available use by people and the various benefits provided under Part D of Medicare and Medicaid. MMA would be available under Part D providing for outpatient medications. The Act would also improve the application of IT with relation to healthcare and in this way improve quality issues in e-prescription and EMR. The rate of medical errors is set to improve following the implementation of the MMA act. The details of the health plan provide under MMA would vary from one state to another. In the US, the implementation of the MMA act is beneficiary for the entire population. However, studies have shown that MMA would not help decrease the cost of healthcare. Efforts should be made to use this act to bring down the costs of healthcare.

Keywords: Medicare, Health Insurance, Medicare Modernization Act, Medicare Part D

1 Introduction

The Medicare statutes do not currently permit the outpatient use and prescription of drugs. Drugs can only be utilized in inpatient setting under the physicians' care. However, outpatient drugs are most often required by elderly patients suffering from chronic disease. As such diseases are not curable, elderly patients would be using outpatient medications over a lifetime, and the cost of such drugs is very high and often unaffordable for the elders. It is during the old age stage of life that the individual could be likely to face medical problems, and hence utmost care is required. This has been an age old requirement, often creating a lot of problems in resolving them. Hence, the Congress put to a task of delivering an effective legislation seeking outpatient medication benefits for the elderly population. President George W Bush brought out the Medicare Prescription Drug Improvement and Modernization Act of 2003 on December 8, 2003, to help elderly

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and disabled patients benefit from drug prescriptions, more number of benefits under Medicare and greater amount of choices. The Center for Medicare and Medicaid Services (CMS) was entrusted upon implementing this act on the public and seeking the interests of stakeholders. The Medicare Modernization act ensures that senior citizens and disabled individuals (the needy section) have better control over their health. The US healthcare system is one of the most comprehensive in the world, and it would be a privilege to provide the senior citizens and disabled care [1].

2 Review of Literature

The coverage for Medicare MA actually began on January 1, 2006. The services of MMA are actually brought out under a new section known as "Part D". Part D would be an elective coverage for Medicare individuals who are entitled for coverage under Part A and Part B. Part D would usually be administered by private health plans. If the individual has a fee-for-service health package then he/she could obtain outpatient drug services under a separate plan known as "Medicare Advantage". Also outpatient drug services can be obtained as a stand-alone plan. Individuals who are enrolled in private health insurance can also obtain outpatient drug services. The Plan is also opened to individuals with Medical Savings Accounts. There would be strong awareness and enrollment of people under the plan in a coordinated fashion. The enrollment began on November 15, 2005 and went on till May 15, 2006, and in the forthcoming years started on November 15 and went on till December 31. Individuals who were having Medicaid or Medicare were eligible to get themselves enrolled under MMA. Individuals who do not join under Part D are supposed to face a penalty whenever they join or have to show some drug coverage besides Medicare. For Medicare, an individual can actually sign in three months before they turn 65 or after 3 months of turning 65 years [2].

The MMA covers for both prescriptions branded drugs as well as generic drugs. They can be procured from participating pharmacies. People have the benefit of procuring drugs which are very costly or may arise from critical illnesses. The drug benefits can apply to anybody regardless of their socio-economic status, income, and health status or drug/medical history. There are three types of MMA coverage including Medicare prescription drug plan, Medicare Advantage Plan or Medicare Health Plan. The monthly plan premium varies from one plan to another, as the benefits available would also vary. The individual who would be getting the benefit would also have to pay a part of the costs of the prescription as a co-payment or coinsurance. This percentage would depend on the type of MMA coverage. Individuals who are unable to pay for the insurance premiums would be getting additional benefits [3]. The provisions of the MMA would be keeping in mind modern technology which could be utilized in healthcare including the EMR system and the electronic health prescription processes or e-prescription. To enable proper use of these facilities, third parties would be able to bear some of the implementation costs. Before the year 2006, physicians were finding it very difficult to adopt the e-prescription system due to technical and legal issues. However, further implementation of EMR and enforcement of the MMA legislation has ensured that physicians are able to utilize this unique facility. The MMA in this way is able to reduce costs of healthcare and also improve the access to healthcare across the US. People suffering from chronic diseases would be able to get prescription drug coverage more easily and hence help to get have better control over their health. MMA has also enabled technology to cause greater

amount of safety standards in healthcare. The accuracy and efficiency and safety of the drugs utilized would be greatly improved. Physicians and nurses could electronically transmit prescriptions, orders, etc, and in this way reduce errors and ensure that guidelines are strongly adhered to. The patient's response to medications can also be better monitored following the implementation of the MMA act. However, the positive implementation effects of MMA are seen only after conducting research in a limited number of organizations. However, over the years, there has been a drastic reduction in medication prescription errors following the use of e-prescription, by about 86 % and an increase in drug adherence by about 60 %. As drug e-prescription has produced drastic effects in the ambulatory care setting, the same can be reproduced in the outpatient settings. On the other hand, in the inpatient settings e-prescription has caused an increase in the drug errors due to the interface issues seen [4].

On an average, about 5 to 18 % of the healthcare providers utilize e-prescription techniques. MMA ensures certain development of standards that would ensure that the system is operable through various healthcare organizations. All hurdles would be removed through the MMA. There is a need for e-prescription to provide greater amount of features for the users [4].

Under part D which is provided by the Medical Modernization Act, dispensing pharmacies and prescribers would have to provide the following benefits to the beneficiaries:

- Prescriptions that are given by the healthcare organization itself;
- queries to plan eligibilities;
- information to the benefits of the plan including prior authorization for a given drug and formulary ties;
- information on drug interactions include side-effects, cautions, warnings, reminders, etc;
- provision of low-cost alternatives;
- drug history or past medical history of the patient;
- any drug that may be a part of step therapy; and
- coverage for newer, more effective, but costlier drugs [1,2,3].

3 Discussion

More than 42 million people in the US have Medicare which includes old and disabled persons. Earlier most of the costs of Medicare were spent on treating diseases and the complications of the disease. Slowly, healthcare is shifting towards a more preventive strategy. By using a preventive strategy, the costs of treating the complications would be reduced. The US health administrators have understood the importance of medications in the management of chronic diseases. Senior citizens and disabled individuals are often unable to access healthcare due to the heavy costs of medication. More than one-third of the individuals above the age of 65 years do not have a stable income, and the extra burden of healthcare costs would be a serious impediment for their development, depending excessively on their children and close relatives. Part D which is mainly for Outpatient medicine costs, followed Part A, B and C. Part A usually aims to cover inpatient hospitalization costs, Part B covers for physician and healthcare professional services and Part C opts the patient for a HMO Managed care plan. Part B would cover a

major of the outpatient costs and Part C covers about 4 million elderly patients [5]. By the end of 2006, more than 43 million patients would have enrolled in the Medicare scheme. About 68 % of the 43 million would enroll for prescription drug coverage and about 5 million would be having double coverage (of Medicare and Medicaid). More than 10 million of those who would not be having Medicare insurance coverage would be having employer-based insurance coverage. Currently, drug-discounts cards and tax rebates are being offered to senior citizens. By the year 2006, when the plan actually begins, more than 11 to 20 plans would be available to the patients [5].

The planning phase of Part D was very critical. The Government would cover a significant portion of the healthcare costs, and in turn hold people responsible for a minor portion of the costs. The central administration would directly not be responsible for the working of MMA, but indirectly through private contractors. The employers would also be responsible for covering their employees for certain duration of time. By ensuring private participation the government did not reduce its responsibility, but ensured that it could administer the performance of the plan better. The plan was implemented in about 34 regions at the same time. The plan included major therapeutic drugs, better use of cost control measures, better address of adversely-made decisions, etc. The beneficiary had to pay about dollar 250 as premium for the scheme, out of which 75 % of the first dollars 2000 was covered by the government and the remaining 25 % by the beneficiary. Beyond this, for the next 2850 dollars, the costs had to be met by the beneficiary, but if it was beyond dollars 5100, in terms of critical care costs, the amount would be met by Medicare (about 95 %). Individuals belonging to the lower socio-economic strata, with an annual income below dollars 14000 would receive stronger coverage. Individuals who have any annual payment of 135 % that of the poverty level would be getting a coverage of 100%, whereas those between 135 % to 150 % would be getting a little subsidy. When the scheme is being implemented, many administrators feel that the consumers would be having greater number of health options regarding the insurance company that they can factually select. The scheme is also being targeted at the population it can be meant including elders, their family members, health professionals, etc [2,5].

In the US, as the healthcare needs of the patients would vary from one state to another, the benefits and the coverage premium would differ. This would ensure that the system meets the needs of the patients and also competition with the private competitors is being constantly met. Senior citizens may be particularly looking for cost-effective approaches and hence would be selecting the cheaper plans. The insurance companies would hence have to keep down the costs of the prescription insurance schemes low. Companies are trying to enroll more number of patients, as this would be a strategy to bring down the costs. The can effectively seek wholesale deals with the drug manufacturers and keep operations costs down. By the year 2014, the premium for MMA coverage (Part D) would in fact double [5].

People interested in Part D of Medicare would be having several questions regarding the health insurance scheme. They would need knowing:

- The insurance plans that would be available in a particular area;
- the costs of the plans;
- the drugs that could be covered;
- whether the present drugs are covered;
- the steps that would be applicable in getting the drugs;

- the quantity of drugs that can be procured at one time; and
- the coverage that would be applicable in risk situations.

4 Conclusion

Medicare has been long required in the healthcare system. Administrators in the past were aiming to cover outpatient medications, but found it very difficult. Having such an insurance coverage would ensure that the elderly and the disabled populations seeking Medicare and Medicaid would have greater healthcare coverage and better control over their health. The patients would also be presented with greater number of choices and health plans, depending on their region of residence. Physicians, nurses and other healthcare professionals have to also ensure that they actively participate in the functioning of the scheme. The scheme would also ensure that IT could play a major role in healthcare decision-making. Prescriptions can be transmitted electronically to the pharmacist and the rate of medical errors would reduce drastically. People should understand that Medicare is trying to cover people fast under Part D, and hence greater involvement and interests from the people is required. Also greater education and awareness programs from the government are also required to ensure that people are familiar with the benefits and the specifications laid down under MMA. Patients should also understand as they would be having greater amount of coverage and better control of their health, they would be in a better position to implement preventive strategies.

5 Recommendations

Many people find that MMA is another way of increasing the costs of healthcare for the consumer. Many people would not require outpatient medical drug benefits, and in such a circumstance, it would be no use to provide such health benefits. What is already being spent by the government on the previous Medicare and Medicaid should instead be utilized on providing medications. Many of the health insurance coverage actually do not provide for prescription drugs and in such cases MMA would be beneficial [6].

Many people also feel that once prescription drugs are brought under the purview of Medicare and Medicaid, automatically the rates of prescription drugs would increase. There would be an uncontrolled use of such drugs by the patients. Experts do not understand how the MMA program would go and what would the problems be in the future. The demand for drugs would create a deficiency in the market and hence the rate would rise [6].

However, certainly the elders and the needy sections of the population would benefit from MMA provisions, as it would help them to have better control over their health. The MMA Act also provides for modern amenities such as e-prescriptions, and the use of EMR by modern healthcare organizations. The rate of medical errors would significantly decrease [6]. There may be several other recommendations suggested for the MMA scheme, which include:

- Greater involvement of the employer in covering the employee's outpatient drug expenditures;

- setting aside a separate fund during work that would sum up and serve for outpatient medications required during old age; and
- providing greater amount of benefits for the high-risk or needy group rather than age specific groups.

6 References

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