



# Prescription Drug Coverage and Access among New Jersey Seniors after Implementation of Medicare Part D



**RUTGERS**

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## Background

- Medicare Part D, established in 2006, provides prescription drug coverage for Medicare beneficiaries.
- The average Part D premium has risen 37% from 2006 to 2011.
- Further, most beneficiaries faced substantial cost-sharing which may decrease as the Affordable Care Act begins to close the Part D "doughnut hole".
- Previous research demonstrates that high levels of cost sharing lead to decreased adherence and lower rates of prescription drug utilization. This may be applicable for Part D also.

## Study Objectives

- Examine among New Jersey seniors, whether the implementation of Medicare Part D was associated with
  - Increase in prescription drug coverage
  - Changes in prescription drug access problems
- We specifically focus on racial disparities in prescription drug access subsequent to this expansion in public coverage.

## Data

New Jersey Family Health Survey: 2001 & 2009

- Designed to provide population-based estimates of health care coverage, access, and other health information for New Jersey households.
- Telephone interviews with the adult most knowledgeable about family health and health care needs.
- Conducted by the Rutgers Center for State Health Policy and funded by the Robert Wood Johnson Foundation.
- Study Sample:

Age	50-64	65+	Total
2001	n=895; N=1,300,226	n=886; N=1,115,950	n=1,781; N=2,416,176
2009	n=1,754; N=1,610,098	n=756; N=1,045,592	n=2,510; N=2,655,690

## Key Variables

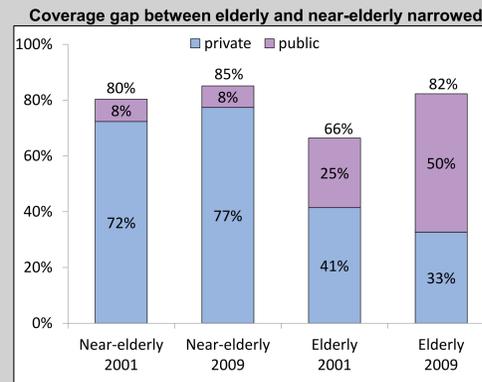
- Coverage: Prescription drug coverage based on modified questions from the National Survey of America's Families to identify all sources of coverage.
- Problems in accessing prescription drugs: yes to either question for the sampled individual
  - Was there a time when you (or someone in your family) didn't get or delayed getting a prescription because it cost too much?
  - During the past 12 months have you (or someone in your family) taken less of a prescribed medicine to make the prescription last longer?
- Sociodemographics: Family poverty level, gender, age, race/ethnicity.
- Serious or morbid symptoms: indication of need to seek medical care.

## Methods

- We use the 'near-elderly' population aged 50-64 years as a control group for examining changes within the elderly population between 2001 and 2009.
- Logistic regressions model changes in coverage and access problems due to implementation of Part D, adjusting for patient characteristics.
- Estimation accounts for complex survey design using STATA 10; lincom process in STATA calculates effect sizes and their standard errors in logistic specifications with interaction terms.

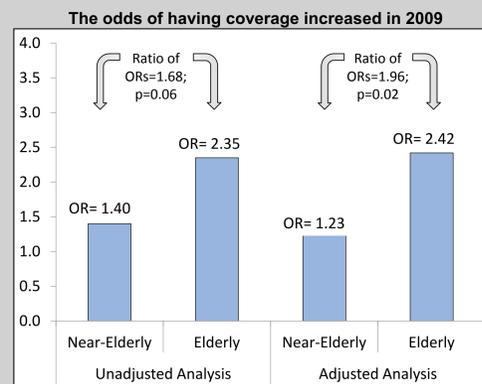


## Results



Note: near-elderly= age 50-64; elderly= age 65+.

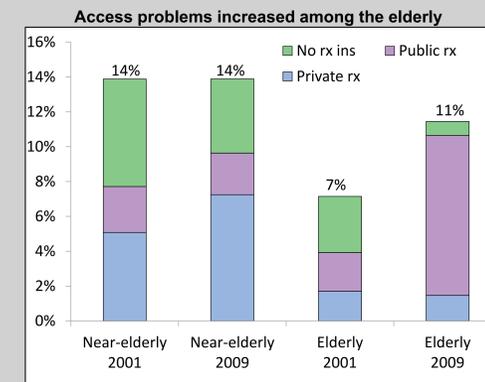
- Rate of prescription drug coverage was lower in the elderly population (compared to near-elderly) for both years though the difference shrank considerably in 2009.
- In 2009, the proportion of the elderly covered by public insurance was twice that in 2001; however, some of this increase in public insurance was offset by a decrease in private insurance.



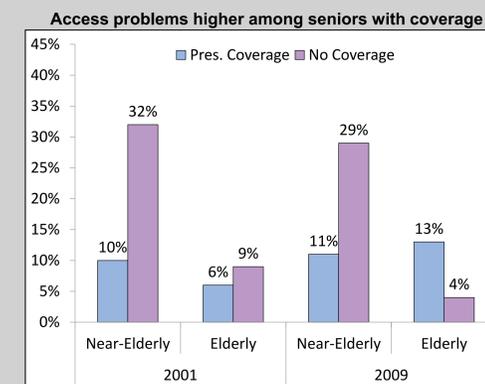
Note: ORs estimated from logistic specifications with indicators for the elderly, the year 2009, and their interaction term as the primary independent variables. The coefficient of this interaction term should be interpreted as the ratio of the two odds ratios. Additional controls include gender, income and presence of serious/morbid symptom. Subpop sizes: unweighted=4129, weighted=4.8m; Prob>F=0.0

- The adjusted odds of having prescription drug insurance in 2009 (relative to 2001) was higher for the elderly population (OR=2.42, p=0.0) than the near-elderly population (OR=1.23, p=0.25).
- The OR for the elderly was thus 1.96 (p=0.02) higher than near-elderly.
- Higher income or presence of serious/morbid symptom increased likelihood of coverage.

## Prescription Access Problems



- Percentage of elderly population facing access problems increased from 2001 to 2009 (7% to 11%).
- Among people with access problems, the proportion without prescription insurance was lower in 2009 compared to 2001 for each of the two groups.
- Majority of this elderly population in 2009 had public insurance for prescription coverage.
- A senior in 2009 with access problems was more likely to be publicly insured (rx) than uninsured.



- Mostly, coverage reduces the likelihood of access problems; a notable exception is the elderly population in 2009.
- Seniors with coverage had higher rates of access problems compared to those without coverage (13% v 4%).
- Suggests selection effect. Medicare beneficiaries needing prescription drugs may be more likely to enroll in Part D.
- Uninsured beneficiaries who did not enroll probably had very limited demand for prescription drugs. They were thus less likely to face access problems.

## Racial Disparities in Access to Prescription Drugs

- Do minorities within the elderly New Jersey population face higher rates of access problems?
- In unadjusted analysis, both blacks and Hispanics had higher odds of prescription drug access problems in 2001 (OR=3.5, 3.3) and 2009 (OR=3.8, 4.3) compared to whites.
- Even within seniors who did not report facing access problems to medical and surgical care, significantly higher prescription drug access problems existed for blacks (OR=2.92) and Hispanics (OR=4.77).

### Minorities faced higher access problems in 2009 and 2001

	2009		2001	
	Odds Ratio	p value	Odds Ratio	p value
Elderly	0.39	0.00	0.40	0.00
Black	0.56	0.14	1.37	0.36
Hispanic	0.78	0.56	2.12	0.05
Other	0.29	0.05	3.61	0.02
Elderly*black	5.37	0.02	1.54	0.46
Elderly*Hispanic	4.05	0.09	1.36	0.66
Elderly*other	0.36	0.32	0.28	0.17
No rx insurance	1.34	0.33	2.40	0.00

An adjusted Wald test indicated significant difference in coefficients between two years (P=0.03); subpopulations: unweighted=(2488,1658); weighted=(2.6m, 2.2m); Prob>F=0.0. Other controls: gender, income

- In 2009, elderly blacks and elderly Hispanics had higher odds, (OR=3.03; p=0.04) and (OR=3.15; p=0.10) of facing access problems relative to elderly white.
- These were not significantly higher than the corresponding odds, (OR=2.11; p=0.11) and (OR=2.89; p=0.08) in 2001.
- Lack of prescription coverage was no longer associated with access problems in 2009.
- Minorities in the near-elderly groups faced significant disparities in 2001, but not 2009.
- Being male (OR=0.69; 0.64), or having higher income (OR=0.26; 0.44) decreased the odds of facing prescription access problems in each year.

## Discussion

- While the implementation of Medicare Part D has increased prescription drug coverage within elderly population, there is evidence of significant access problems.
- The percentage of seniors with access problems is higher in 2009, likely due to the high cost-sharing in the standard benefit structure for Part D plans.
- It is of considerable concern that even three years into the implementation, its benefits have not reached some racial groups.
- In 2009, as in 2001, elderly black and Hispanic populations continue to face higher access problems relative to the elderly white population.
- The phasing out of the "doughnut hole" may address some of the cost related barriers faced by minority populations.