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Medicare Numbers at Odds with US Claims

By Jeffrey Krasner
The Boston Globe

Thursday 23 February 2006

Fewer volunteers for new drug plan.

Since December, the US Department of Health and Human Services has repeatedly overstated the number of enrollees in the new Medicare prescription drug plan.

Yesterday, Mike Leavitt, secretary of health and human services, said more than 25 million people were receiving benefits under the program, called Part D, and that millions more are signing up monthly.

But according to Medicare's own figures, the actual number of voluntary enrollees is much smaller, about 5 million. Some of the 20 million other participants cited by Leavitt were automatically enrolled in Part D on Jan. 1. Others are counted as Part D enrollees, even though they receive coverage from former employers, unions, or the government.

Leavitt, through his press office, declined several requests for an interview.

Since Nov. 15, when enrollment began, there has been widespread confusion about the complex program. Some senior citizens and

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disabled people have had difficulty filling prescriptions because they could not prove they had coverage from one of the many insurers that are offering the Medicare drug plan. More than 30 states, including Massachusetts, have enforced emergency rules to ensure that patients receive medications.

Critics say the numbers are emblematic of the government's efforts to make a flawed plan look successful.

"For an administration that frequently provides inaccurate information, the use of the 25 million enrollment figure breaks new ground in misleading propaganda," said Ron Pollack, executive director of Families USA, an advocacy group that has been critical of the drug program. "The only real number that is worth focusing on is the approximately 4 million to 5 million who now have prescription drug coverage who did not have it prior to the start of the program. Unfortunately, the administration is trying to mask that failure with an exaggerated number that has nothing to do with new people who gained coverage."

In January 2005, the government estimated 39.1 million people would receive drug coverage this year under Part D. When enrollment started Nov. 15, the projections dropped to 28 to 30 million. The enrollment of about 5 million people who did not have drug coverage previously falls far short of the goal.

But in press releases and conference calls with reporters, Leavitt and Medicare chief Dr. Mark B. McClellan, have presented a variety of enrollee statistics. Sometimes they refer to numbers of people eligible to receive benefits rather than those who have actually signed up, and they have counted millions of people whose drug coverage only changed on paper as of Jan. 1.

For instance, 3.1 million military and federal government retirees received comprehensive drug benefits before the start of the Medicare plan. Their benefits are still provided by Tricare, the military healthcare system, and the Federal Employees Health Benefits Plan. But Medicare counts those retirees in those programs as Part D beneficiaries.

A letter on the FEHB website even cautions beneficiaries against joining the new program. "You do not need to enroll in Medicare Part D and pay extra for prescription drug benefits," it says.

The assistant secretary of defense for health affairs wrote a similar

letter to Tricare beneficiaries. "There will almost always be no advantage to enrolling in a Medicare prescription drug plan for most Tricare beneficiaries," Dr. William Winkenwerder Jr. wrote.

Other groups are counted by the government as Medicare drug plan enrollees even though their connection is tenuous. They include:

- About 6.4 million retirees who receive drug benefits from their former companies or unions. The companies or unions previously financed the full cost of the benefits, but Medicare now pays a subsidy to defray part of the expense.
- About 4.5 million people who already had drug coverage through Medicare Advantage plans, private managed-care insurance plans that offered benefits beyond traditional fee-for-service Medicare, which didn't cover drugs. Those Medicare Advantage beneficiaries were automatically enrolled in new Medicare Advantage plans that incorporate Part D coverage. Their drug benefits may be better in the new plans.
- 6.2 million low-income elderly and disabled people - known as dual eligibles because they qualify for assistance from Medicaid and Medicare - who already received drug coverage from Medicaid, the assistance program for low-income people run by federal and state governments. On Jan. 1, their drug coverage was switched to Medicare, and beneficiaries were placed into drug plans chosen at random.

In press conferences, Leavitt and McClellan speak interchangeably about enrollees and beneficiaries, blurring the line between those who have voluntarily joined Part D drug plans, and those whose pre-existing benefits are now associated with the new federal plan.

Senator Max Baucus, Democrat of Montana, emphasized the difference between the two groups when McClellan testified at a Senate Finance Committee hearing on Feb. 8. He called the 24 million enrollment number being used at the time "inaccurate." Baucus told McClellan he wanted to confirm that only about 8 percent of the seniors eligible for Part D had voluntarily signed up.

McClellan did not dispute the number.

Dr. Charlotte Yeh, regional administrator for the Centers for Medicare and Medicaid Services, which oversees the drug plan, said it counts people who have coverage equivalent to the Medicare benefit, regardless of who is paying for it.

For instance, CMS press releases continue to cite as Part D enrollees 500,000 people who receive drug coverage through former employers - even though their employers declined to accept government subsidies.

"The reason you want to count them is their coverage is at least as good as Medicare's," Yeh said. "At least there's another half million that have coverage."

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