

THE COMMONWEALTH FUND
HEALTH CARE OPINION LEADERS SURVEY:
MEDICARE PART D

July 2006

Introduction

This Commonwealth Fund Health Care Opinion Leaders Survey was conducted by Harris Interactive® on behalf of The Commonwealth Fund, with responses from a broad group of more than 180 opinion leaders in health policy and innovators in health care delivery and finance. It was the eighth in a series of bimonthly surveys designed to highlight leaders' perspectives on the most timely health policy issues facing the nation. The current survey focused on the Medicare Part D prescription drug benefit.

Summary

The lack of prescription drug coverage under Medicare has been a concern since the program's inception 40 years ago. The Medicare Modernization Act of 2003 (MMA) finally made drug coverage available to all Medicare beneficiaries beginning in January 2006, but not without serious debate about the structure of the benefit and its availability exclusively through private plans. This debate extended through the months preceding the bill's passage and after its enactment into law. It intensified in the early months of the Part D benefit and around the May 15 deadline for initial enrollment, and continues today. This survey provides an initial assessment of the program and priorities for change from the perspective of health care opinion leaders.

Despite the widespread criticism and controversy surrounding Part D, a majority of the health care leaders surveyed express positive views of the program, with two in three leaders agreeing¹ that enacting Medicare Part D was, on balance, good for beneficiaries. Still, it is notable that there is considerable skepticism about key aspects of the program in its current format, with leaders being critical of the availability of coverage exclusively through private plans and the gap in coverage (the doughnut hole), which leaves beneficiaries responsible for all of their covered costs. The sectors are reasonably consistent in their views about Medicare Part D, except for the business/insurance/other health care industry sector, which is overwhelmingly supportive of the benefit as is.

The leaders surveyed endorse a range of potential changes regarding several key aspects of the program: eliminating the late-enrollment penalty; reducing the complexity of the program; minimizing coverage gaps; providing the benefit through the traditional Medicare program; and giving Medicare the authority to negotiate drug prices on behalf of Medicare Part D beneficiaries.

On the issue of the penalty for late enrollment, the leaders surveyed decisively support removing the penalty (90%), with very little support for leaving the penalty in place (8%).

¹ Those who strongly agree or agree.

In order to reduce the complexity of the benefit and better inform beneficiaries, the leaders surveyed say that requiring the same terms to describe the same benefits across plans and benefits should be standardized by decreasing variability among plans' offerings (88% and 77%, respectively). Only a minority of those surveyed (43%) favor² limiting the number of plans in each area.

Leaders support a range of actions designed to reduce gaps in coverage and make more help available to vulnerable beneficiaries. When asked for their highest priority, the top two choices are: filling in the coverage gap by some combination of increased copayments or additional government funding and eliminating the asset test to qualify for a low-income subsidy.

The surveyed leaders' responses indicate skepticism about providing Part D through private plans only: majorities favor offering a comprehensive benefits option that combines all Medicare benefits in one package as an alternative to the current situation (78%) or offering an alternative option that provides prescription drug coverage through the traditional Medicare program, as well as through private plans (64%). Only a few (17%) support leaving the current situation as is.

There is substantial support among leaders for giving Medicare the authority to negotiate drug prices for Part D beneficiaries, with more than four of five favoring this approach.

Overall, leaders surveyed who represent the business/insurance/other health care industry stand out as most supportive of the existing program, with views strongly divergent from those in other sectors.

Detailed findings are provided below.

² Those who strongly favor or favor.

Key Findings

Assessment of Medicare Part D (Table 1)

When the health care opinion leaders surveyed were presented with a series of general assessment statements about Medicare Part D:

- More than two of three (68%) health care opinion leaders agree³ that enacting Medicare Part D was, on balance, good for beneficiaries. The business/insurance/other health care industry sector is the most enthusiastic about the enactment of Medicare Part D, with the vast majority (95%) agreeing that it was good for beneficiaries. Other sectors show a more tempered approval (56%–67%) of the benefit.
- Only about one of three (36%) health care opinion leaders agree⁴ that making Medicare drug coverage available through private plans only was good for beneficiaries. Most leaders across all sectors were consistent in disagreeing with this statement, except for the business/insurance/other health care industry category where most (59%) felt that providing the benefit through private plans only was good for beneficiaries.
- Less than one-third (30%) of health care opinion leaders agree⁵ that the current benefit structure will help beneficiaries who are most vulnerable to high drug costs. Large majorities of all sectors, except for the business/insurance/other health care industry category, disagree with this idea. The business/insurance/other sector was the only one where a slight majority (54%) agree that the current benefit structure will help the most vulnerable beneficiaries.

Preferred Actions on Late Enrollment Penalty (Table 2)

The surveyed leaders were presented with a list of potential actions Congress could take regarding the penalty for not signing up for the new prescription drug program before the May 15th deadline and were asked to indicate their preferred actions.

- The most preferred action was extending the enrollment deadline and removing the penalty, with fully half (51%) of health care leaders selecting this option. This was a consistent sentiment among all industry sectors except for the business/insurance/other health care industry category, where only 37 percent endorsed this action.
- The second most preferred option was leaving the deadline in place, but allowing people to enroll in the program next year without penalty, with about two of five (39%) health care leaders endorsing this option.
- Only a handful of leaders (8%) felt that the deadline and penalty should be left in place. However, this option was slightly more popular (22%) among the business/insurance/other health care industry leaders.

³ Those who strongly agree or agree.

⁴ Those who strongly agree or agree.

⁵ Those who strongly agree or agree.

Reducing Complexity of the Part D Benefit (Table 3)

When the health care opinion leaders surveyed were presented with a list of potential strategies to minimize the confusion beneficiaries reportedly are experiencing due to the complexity of the Part D benefit:

- A large majority (88%) of health care leaders recommend requiring that plans use the same terms to describe the same benefits. All sectors echo this sentiment.
- A large majority (77%) of healthcare leaders recommend making benefits more standardized and reducing the variation among plans as a way to minimize this confusion. There is broad agreement among all sectors on this issue, with the business/insurance/other health care industry being somewhat less supportive of this solution than others.
- More than two of three (69%) health care leaders also agree that better information on the available choices should be provided to beneficiaries as a way to lessen the confusion. All sectors share this view.
- Limiting the number of health plans available in each area does not gain a majority approval, with only 43 percent of leaders stating that this would be an effective way to decrease confusion among beneficiaries.

Changes in the Medicare Drug Benefit (Table 3a)

When the health care opinion leaders surveyed were presented with a few proposed changes to the new Medicare Drug benefit program that would address coverage gaps or lessen burden to vulnerable populations:

- A large majority (79%) of health care leaders favor allowing the plans to offer coverage through the coverage gap as an option to enrollees, with an additional premium, without pushing back the catastrophic coverage threshold. While all sectors share this view, the business/insurance/other health care industry is the most supportive of this solution (90%), followed by the health care delivery category (84%) and the academic/research institute group (79%).
- Fully seven of 10 (71%) health care leaders favor filling the coverage gap with some combination of increased payments and additional government funding. The health care delivery category (84%) especially favors this change.
- A majority (62%) of leaders across all sectors favor raising the income level needed to qualify for a low-income subsidy.
- A slightly smaller majority (57%) of health care leaders favor eliminating the assets test needed to qualify for a low-income subsidy.

Highest Priority Changes (Table 3b)

When the health care opinion leaders surveyed were asked to prioritize the same list of proposed changes regarding addressing coverage gaps:

- Overall, two proposals are most commonly named as the leaders' top priority: filling in the coverage gap with some combination of increased copayments or additional government funding (31%) and eliminating the asset test to qualify for a low-income subsidy (27%).
- However, across sectors there are some differences in the views on these priorities.
 - Leaders representing academic/research institutions (38%) and health care delivery (37%) are especially in favor of filling in the coverage gap by increased copayments and government funding.
 - Leaders representing the “other” health care industry category see eliminating the assets test to qualify for a low-income subsidy as the top priority (44%).
 - Leaders from the business/insurance/other health care industry pick as their top priority (34%) allowing plans to offer coverage through the coverage gap as an option to the enrollee, with an additional premium, without pushing back the catastrophic coverage threshold.

Providing Prescription Drug Coverage Through Traditional Medicare Program (Table 4)

When the health care opinion leaders surveyed were presented with alternatives to having the new prescription drug program as part of the Medicare program:

- Nearly four of five (78%) health care leaders are in favor of offering a comprehensive benefits option that combines all Medicare benefits in one package as an alternative to having to supplement basic Medicare coverage with both private drug plan coverage and Medigap insurance. Within the sectors, the academic/research institution and health care delivery categories (85% and 84%, respectively) are more likely than the business/insurance/other health care industry category (61%) to be in favor of this option.
- Many health care leaders (64%) favor offering an alternative option for prescription drug coverage through the traditional Medicare program, in addition to private plans under Part D. Within the sectors, the academic/research institution and health care delivery categories (72% and 79%, respectively) are more likely than the business/insurance/other health care industry category (46%) to be in favor of this option.
- Leaving the Part D as is, with the prescription drug benefits available through private plans only on a voluntary basis, is the least popular option, with only 17 percent of leaders endorsing this option. However, leaders from the business/insurance/other health care industry category (37%) are more likely than others to be in favor of leaving the situation as is.

Giving Medicare Authority to Negotiate Drug Prices (Table 5)

When the health care opinion leaders surveyed were asked whether they favor or oppose giving Medicare the authority to negotiate prices for drugs provided to Part D enrollees:

- Fully four of five (82%) leaders are in favor of giving Medicare the authority to negotiate prices for drugs provided to Part D enrollees, with three of five (61%) being strongly in favor of it. Within the sectors, academic/research institution and health care delivery categories (90% and 88%, respectively) are more likely than the business/insurance/other health care industry category (61%) to favor this option.

About the Respondents

Respondents come from a broad range of employment positions and settings. For analytical purposes we combined respondents into four sectors (for a more detailed description of respondents' place of employment please refer to Table 7):

- *Academic/Research Institutions* (54%)*
- *Health Care Delivery* (24%)*, including medical societies or professional associations, allied health societies or professional associations or organizations, hospital or related professional associations or organizations, hospitals, nursing homes/long-term care facilities, clinics, and physician or other clinical practices.
- *Business/Insurance/Other Health Care Industry* (23%)*, including health insurance, pharmaceutical, other industries/businesses, and health care improvement organizations.
- *Other* (15%)*, including government, labor, and consumer advocacy.**

Respondents most often are teachers, researchers, or professors (29%) or policy analysts (23%), followed by administration/management (16%), CEOs or presidents (15%), and physicians (14%). Others work as consultants (13%). Most respondents agreed to be named by The Commonwealth Fund as one of the survey participants (86%).

* Percentages add up to more than 100 as respondents were able to give more than one answer.

** Because the sample sizes for these groups were so small, we decided to combine respondents who identified themselves as working for government, labor, and consumer advocacy into one group.

TABLE 1
ASSESSMENT OF MEDICARE PART D

“Prescription drug coverage under Medicare Part D became available to all beneficiaries for the first time beginning on January 1, 2006 and beneficiaries were required to sign up by May 15. Now that the first-ever Part D enrollment period has ended, how much do you agree or disagree with the following statements?”

Base: All Respondents

Agree (net)	Total (N=180)	Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	%	%	%	%	%
Enacting Medicare Part D was, on balance, good for beneficiaries.	68	59	67	95	56
The current benefit structure, which includes a coverage gap (or “doughnut hole”), during which beneficiaries are fully responsible for covered drug costs in excess of an initial threshold until they reach a maximum of \$3,600 in out-of-pocket costs, will, on balance, help beneficiaries who are most vulnerable to high drug costs.	36	17	30	59	15
Making Medicare drug coverage available through private plans only was, on balance, good for beneficiaries.	30	34	28	54	22

Note: Highlight denotes significant difference

TABLE 2
PREFERRED ACTIONS ON LATE ENROLLMENT PENALTY

“Congress is reconsidering the penalty for failing to enroll in the new prescription drug program by the May 15 deadline. Which of the following actions would you prefer Congress to take?”

Base: All Respondents

	Total (N=180)	Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	%	%	%	%	%
Extend the enrollment deadline and remove the penalty	51	56	49	37	56
Leave the deadline in place, but allow people to enroll in the program next year without penalty	39	37	49	44	37
Leave the deadline and the penalty in place	8	4	—	22	4
None of these	3	4	2	—	4

Note: Highlight denotes significant difference

TABLE 3
REDUCING COMPLEXITY OF THE PART D BENEFIT

“Many Medicare beneficiaries have reportedly been confused by the complexity of the Part D benefit and the number of plans among which they have to choose. Which of the following approaches would you recommend to address this issue? Please select all that apply.”

Base: All Respondents

	Total (N=180)	Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	%	%	%	%	%
Plans should be required to use the same terms to describe the same benefits	88	89	88	83	89
Benefits should be more standardized to reduce the variation among plans	77	82	86	68	89
Better information on the available choices should be provided to beneficiaries (cost sharing, formulary structure, etc.)	69	67	63	68	85
Medicare should limit the number of plans available in each area	43	47	42	34	44
The system should be left as is	2	1	—	2	4
None of these	3	3	2	2	—

TABLE 3a
CHANGES IN THE MEDICARE DRUG BENEFIT

“To what extent do you favor/oppose the following proposed changes in the Medicare drug benefit program (assuming that increased financing were available)?”

Base: All Respondents

Favor (net)	Total (N=180)	Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	%	%	%	%	%
Allow plans to offer coverage through the coverage gap as an option to the enrollee, with an additional premium, without pushing back the catastrophic coverage threshold	79	79	84	90	74
Fill in the coverage gap (“doughnut hole”) by some combination of increased copayments and additional government funding	71	72	84	59	78
Raise the income level needed to qualify for a low-income subsidy (135% or 150% of poverty, depending on the level of the subsidy)	62	57	67	59	74
Eliminate the assets test needed to qualify for a low-income subsidy (\$7,500 or \$11,500 for an individual and \$12,000 or \$23,000 for a couple, depending on the level of the subsidy)	57	58	47	54	67

Note: Highlight denotes significant difference

TABLE 3b
HIGHEST PRIORITY CHANGES

“Please select which change, if any, would be your highest priority.”

Base: All Respondents

	Total (N=180)	Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	%	%	%	%	%
Fill in the coverage gap (“doughnut hole”) by some combination of increased copayments and additional government funding	31	38	37	17	22
Eliminate the assets test needed to qualify for a low-income subsidy (\$7,500 or \$11,500 for an individual and \$12,000 or \$23,000 for a couple, depending on the level of the subsidy)	27	24	26	29	44
Allow plans to offer coverage through the coverage gap as an option to the enrollee, with an additional premium, without pushing back the catastrophic coverage threshold	16	13	12	34	—
Raise the income level needed to qualify for a low-income subsidy (135% or 150% of poverty, depending on the level of the subsidy)	14	14	16	10	19
None of these	10	8	7	10	15

Note: Highlight denotes significant difference

TABLE 4
PROVIDING PRESCRIPTION DRUG COVERAGE
THROUGH TRADITIONAL MEDICARE PROGRAM

“One alternative to the current policy would be to make prescription drug coverage available as part of the Medicare program, rather than only through private plans. To what extent do you favor/oppose each of these proposed options?”

Base: All Respondents

Favor (net)	Total (N=180)	Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	%	%	%	%	%
Offer a comprehensive benefits option that combines all Medicare benefits in one package as an alternative to having to supplement basic Medicare coverage with both private drug plan coverage and Medigap insurance	78	85	84	61	85
Offer an alternative option for prescription drug coverage through the traditional Medicare program, in addition to private plans under Part D	64	72	79	46	67
Leave the current situation as is, with prescription drug coverage available on a voluntary basis through private plans in Part D	17	10	14	37	7

Note: Highlight denotes significant difference

TABLE 5
GIVING MEDICARE AUTHORITY TO NEGOTIATE DRUG PRICES
 “How much do you favor or oppose giving Medicare the authority to negotiate prices for drugs provided to Part D enrollees?”

Base: All Respondents

		Academic/ Research Inst. (n=98)	Health Care Delivery (n=43)	Business/ Insurance/ Other Health Care Industry (n=41)	Other (n=27)
	Total (N=180)	%	%	%	%
Favor (net)	82	90	88	61	96
Strongly favor	61	70	67	37	81
Favor	21	19	21	24	15
Oppose (net)	14	6	9	37	4
Oppose	7	2	7	17	—
Strongly oppose	8	4	2	20	4
Don't know	2	3	—	2	—

Note: Highlight denotes significant difference

TABLE 6
TYPE OF EMPLOYMENT

“How would you describe your current employment position?”

Base: All Respondents

	%
Teacher, researcher, professor	29
Physician	14
CEO/President	15
Policy analyst	28
Administration/Management	16
Consultant	13
Department head/Dean	6
Foundation officer	8
Health care purchaser	4
Policymaker or policy staff (federal)	2
Consumer advocate	7
Other health care provider (not physician)	2
Lobbyist	3
Policymaker or policy staff (state)	2
Regulator	—
Other	3
Retired	6
Investment analyst	—

TABLE 7
PLACE OF EMPLOYMENT

“Which of the following best describes the type of place or institution for which you work?”

Base: All Respondents

	%
Academic and Research Institutions	54
Medical, public health, nursing, or other health professional school	27
Think tank/Health care institute/Policy research institution	18
University setting not in a medical, public health, nursing, or other health professional school	7
Foundation	9
Medical publisher	1

Business/Insurance/Other Health Industry	23
Health care consulting firm	7
Health insurance/managed care industry	5
CEO/CFO/Benefits manager	3
Drug manufacturer	3
Health care improvement organization	3
Accrediting body and organization (non-governmental)	1
Biotech company	1
Device company	1
Polling organization	1
Health insurance and business association or organization	1
Pharmaceutical/Medical device trade association organization	1
Health Care Delivery	24
Medical society or professional association or organization	9
Hospital	6
Physician practice/Other clinical practice (patient care)	4
Hospital or related professional association or organization	4
Clinic	3
Nursing home/Long-term care facility	1
Allied health society or professional association or organization	1
Other	15
Labor/Consumers/Seniors' advocacy group	6
Staff for a federal elected official or federal legislative committee	2
Non-elected federal executive branch official	1
Staff for non-elected federal executive branch official	—
Non-elected state executive branch official	1
Staff for a state elected official or state legislative committee	1
Staff for elected non-federal executive branch official (repeat)	—
Staff for non-elected state executive branch official	1
Other	4

TABLE 8
PERMISSION TO BE NAMED AS A SURVEY PARTICIPANT

Base: All Respondents

	%
Yes	86
No	13

Appendix A

Methodology

This survey was conducted online by Harris Interactive on behalf of The Commonwealth Fund among 180 opinion leaders in health policy and innovators in health care delivery and finance within the United States between June 1, 2006, and June 19, 2006. No weighting was applied to these results.

The sample for this survey was developed by using a two-step process. Initially, The Commonwealth Fund and Harris Interactive jointly identified a number of experts across different sectors and professional sectors with a range of perspectives, based on their affiliations and involvement in various organizations and institutions. Harris Interactive then conducted an online survey with these experts asking them to nominate others within and outside their own fields whom they consider to be leaders and innovators in health care. Based on the result of the survey and after careful review by Harris Interactive, The Commonwealth Fund, and a selected group of health care experts, the sample for this poll was created. The final list included 1,246 people.

Harris Interactive sent out individual e-mail invitations containing a password-protected link to the entire sample. Data collection took place between June 1, 2006, and June 19, 2006. A total of four reminders was sent to anyone who had not responded. A total of 180 respondents completed the survey.

With a pure probability sample of 180 adults one could say with a ninety-five percent probability that the overall results have a sampling error of +/-7 percentage points. However that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

About Harris Interactive

Harris Interactive is the 13th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for *The Harris Poll*, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what could conceivably be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiary Novatris in France and through a global network of independent market research firms. The service bureau, HISB, provides its market research industry clients with mixed-mode data collection, panel development services as well as syndicated and tracking research consultation. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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