

Commentary: Open enrollment for Medicare benefit closing soon

The holiday season is here. From peppermint lattes and potato latkes, carols to dreidels, there are reminders at every twist and turn.

Seniors should also be reminded that it's time to sign up for Medicare's prescription drug benefit, known as Part D. From now until the end of the year, seniors can enroll in Part D or switch from their existing plan to a new one.

All those eligible should take advantage of this "open enrollment" period. Unlike most public health programs, the Medicare prescription drug benefit is administered by the private sector. The program is subsidized by taxpayer dollars, but seniors are allowed to select the drug benefit that best suits their needs.

Providers must compete for this business, which leads to more choices, better service, and lower premiums. This feature – the freedom to comparison shop between competing Medicare drug plans – is one of the reasons the program is both popular and cost-effective.

Part D has a 92 percent satisfaction rate among its beneficiaries. And the program has reduced the number of seniors without a drug plan by 17 percent. Meanwhile, the price of Part D over the next decade is expected to be nearly \$120 billion less than originally estimated.

Many seniors worried that healthcare reform would put the drug benefit in danger. But now that the dust has settled, it looks like Part D has emerged as an even stronger program.

According to the Centers for Medicare and Medicaid Services (CMS), 99 percent of seniors in Part D will have access to a plan in 2011 with a premium that is the same or lower than what they are paying now. In fact, CMS estimates that the average senior will pay \$30 per month for coverage in 2011, just \$1 more than this year.

Also, thanks to the healthcare reform bill, the gap in coverage known as the "donut

hole” is about to start closing. In the past, seniors faced a gap in coverage after spending a certain amount on drugs until they hit a “catastrophic” level. This was confusing and often an unforeseen cost for seniors. But beginning in January, America’s drug companies will start providing eligible seniors who reach the donut hole a 50 percent discount on their brand-name drug purchases.

The donut hole will be completely closed by 2020.

The open-enrollment period gives seniors a valuable opportunity to get the most out of their Medicare drug benefit. Even beneficiaries who are happy with their current Part D plan should visit Medicare.gov and consider their options. There are dozens of plans out there, so everyone should be able to find one that’s both affordable and well-suited to their needs.

Like holiday sales, this opportunity will be gone by the New Year. Seniors should make sure they get the most out of the season – and their Medicare drug benefit –before the end of the year.

Peter J. Pitts is President of the Center for Medicine in the Public Interest and a former FDA Associate Commissioner.