

Remarks of Kathryn Coleman
Associate Regional Administrator for Medicare Health Plan Operations
Centers for Medicare & Medicaid Services
Kansas City Regional Office
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Chairpersons Ragan and Smith thank you for inviting us to appear before your joint committee today. My name is Kathryn Coleman and I am the Associate Regional Administrator for Medicare Health Plan Operations in the Kansas City Regional Office of the Centers for Medicare & Medicaid Services. It is my pleasure to be here today. I will focus my remarks this morning on our Agency's progress implementing Medicare's prescription drug benefit in the State of Iowa and provide a glimpse of what is to come as far as our outreach efforts this year.

First, as many of you know, Medicare added a prescription drug benefit in the January 2006. While there were bumps in the road during the initial start up, those bumps have largely smoothed out and today over 90 percent of Medicare beneficiaries now have access to prescription drug coverage. In the State of Iowa alone, over 300 thousand Medicare beneficiaries have some form of prescription drug coverage today. And beneficiary satisfaction with the program is at 75 percent or higher.

One reason is cost. The average premium for basic benefits nationally is around \$22, down from \$23 in 2006 – 42 percent lower than we originally projected premiums to be. In Iowa, the lowest plan premium is just \$10.60 per month and four other plans offered have premiums below \$20 a month. That's good news. The other reason satisfaction is high is because people are getting better benefits. This year there are plans with lower costs and more drugs covered. Overall, prescription drug coverage is more comprehensive, less expensive, and a better deal than even the experts thought possible. In your state this year, 26 different plans offered enhanced benefits or services, such as coverage in the donut hole or little or no deductible. And 70 percent of beneficiaries had access to a lower premium plan in 2007 than they were paying in 2006.

A large part of the success of Medicare's prescription drug benefit is also due to the hard work of community-based partners across the State of Iowa who have helped CMS reach out in cities and towns across the state to not only educate Iowa's Medicare population, but help them enroll in a plan of their choice. We owe a great debt of gratitude to many, many Iowans who have volunteered and continue to volunteer their time and energy to assisting our beneficiaries. I would be remiss if I did not single out one person in particular for her tireless dedication. Kris Gross, the Director of the Iowa SHIP has been an invaluable partner of ours through the years. I'm sure many, if not all of you, know Kris. I want to publicly acknowledge her efforts and those of all of her volunteers.

As I mentioned previously, while we have smoothed out many of the big bumps with implementation of the program, problems still exist and we are working hard every day to solve them. Although the number of problems we are seeing has decreased substantially, we know that every problem we continue to see has a very real person attached to it and we are committed to resolving every one of them as quickly as we possibly can. And this is one area where Kris and her staff of SHIP volunteers have been a huge help in reaching and helping Iowans in need. And for that, we are extremely grateful.

So what's next? Many of you are probably familiar with our Mobile Office Tour Bus that rolled through the state of Iowa last year to raise awareness about Medicare's new prescription drug coverage. Well, we'll be back again this year with the goal of raising awareness among the Medicare population of our valuable preventive services. So while the drug benefit was the most visible part of a more fundamental reorientation toward *prevention* in Medicare. We are continuing our focus on preventing disease rather than just paying for treatment of its complications. We want people with Medicare to make the most of their benefits.

Last Fall we launched an initiative we're calling *My Health My Medicare*. This new campaign uses the grassroots networks and personalized support systems that were so successful in enrollment for the drug benefit, to help people take advantage of everything Medicare has to offer. We especially want to improve the use of Medicare's preventive benefits, such as flu shots, cardiovascular screening, diabetes self-management, counseling to quit smoking, and many others.

We want beneficiaries, particularly those who are new to the Medicare program, or those who have limited knowledge of our benefits to understand that there are a number of preventive services available to them that are beneficial in preventing disease and chronic illness.

We want to work with small towns and communities and cities across your State to promote wellness activities or events they may be hosting or participating in, so please feel free to share opportunities with us. Who knows, we might just be able to bring the Medicare bus to your event and share this valuable information with your community.

Although more than 38 million Medicare beneficiaries now have prescription drug coverage and we are very encouraged by the strong enrollment numbers these first two years, we want to continue to reach out to promote this valuable program as well as Medicare's important preventive benefits. The next open enrollment period for the new drug benefit begins November 15, 2007, but it's never too soon for beneficiaries to take advantage of Medicare's important

preventive benefits. So stay tuned, you'll be hearing more from us again soon, I'm sure.

Thank you for your interest and your time. I would be happy to answer your questions.

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