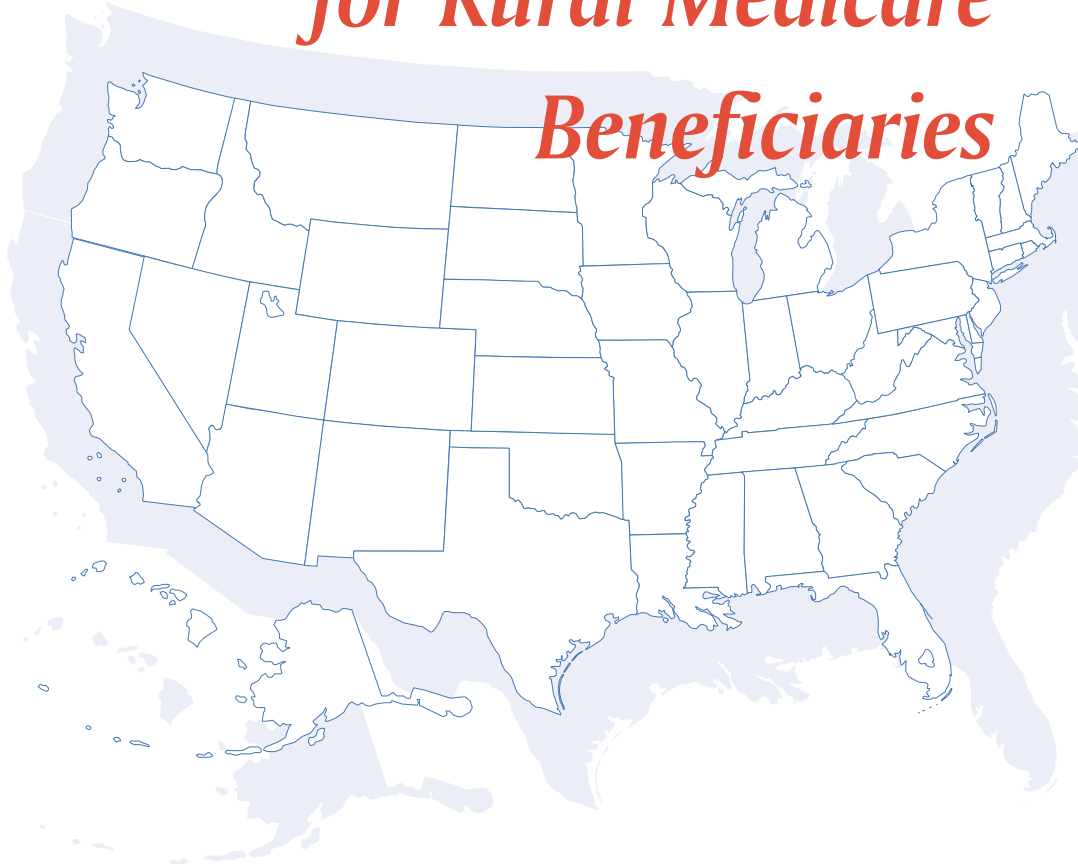


Managed Care Plans Offer No Real Choice for Rural Medicare

Beneficiaries



Under the President's announced "Framework for Prescription Drug Legislation," prescription drug coverage would vary dramatically between traditional Medicare and private plans. Beneficiaries choosing to stay in traditional Medicare would only receive assistance once their prescription drug needs reach catastrophic levels. They would have to spend at least \$4,000—and possibly as much as \$7,500—before they would receive a single dollar of assistance. The only way beneficiaries can get better coverage for prescription drugs is to join private managed care plans.

But private managed care plans are not universally available. Their availability varies dramatically from state-to-state and place-to-place, so what plans you can join will depend on where you live. In the existing Medicare+Choice program, managed care plans are available in few rural areas, for example, and the majority of those plans do not offer prescription drug coverage.

Today, nearly one in four Medicare beneficiaries live in rural counties. The majority of these 9.3 million beneficiaries have no choice of health plan.

Most rural Medicare beneficiaries (80.2 percent) live in counties that have no private plans, despite several increases in payment rates and efforts to put rural payments more on a par with urban areas. These beneficiaries will not even have the option of enrolling in a private plan to obtain better prescription drug coverage.

Of rural Medicare beneficiaries who have access to at least one private managed care plan, many have access to only one private plan. Only 15 percent of rural beneficiaries have a choice between two or more plans.

And only one out of every eight Medicare beneficiaries (12.9 percent) living in rural counties have the choice of enrolling in a plan that includes prescription drug coverage.

For the millions of Medicare beneficiaries who live in rural America, President Bush's Medicare restructuring proposal will offer little or no "choice" at all: They will be left behind, without prescription drug coverage.

Rural Beneficiaries' Access to Medicare Managed Care Plans, 2003, by State

State	Total Rural Medicare Beneficiaries	No Access to Managed Care Plan		Access to Only One Plan		Access to Two or More Plans		Access to A Plan with Rx Benefit	
	Number	Number	Percent of Rural Beneficiaries	Number	Percent of Rural Beneficiaries	Number	Percent of Rural Beneficiaries	Number	Percent of Rural Beneficiaries
Alabama	235,600	229,990	97.6%	0	0.0%	5,610	2.4%	5,610	2.4%
Alaska	25,932	25,932	100.0%	0	0.0%	0	0.0%	0	0.0%
Arizona	98,104	63,309	64.5%	34,795	35.5%	0	0.0%	34,795	35.5%
Arkansas	259,831	259,831	100.0%	0	0.0%	0	0.0%	0	0.0%
California	172,868	152,022	87.9%	20,846	12.1%	0	0.0%	20,846	12.1%
Colorado	88,027	3,224	3.7%	0	0.0%	84,803	96.3%	84,803	96.3%
Connecticut	44,547	44,547	100.0%	0	0.0%	0	0.0%	0	0.0%
Delaware	32,243	32,243	100.0%	0	0.0%	0	0.0%	0	0.0%
Florida	225,759	179,440	79.5%	9,476	4.2%	36,843	16.3%	41,553	18.4%
Georgia	366,118	366,118	100.0%	0	0.0%	0	0.0%	0	0.0%
Hawaii	45,688	61	0.1%	0	0.0%	45,627	99.9%	45,627	99.9%
Idaho	110,830	52,531	47.4%	0	0.0%	58,299	52.6%	58,299	52.6%
Illinois	343,455	275,969	80.4%	36,220	10.5%	31,266	9.1%	37,208	10.8%
Indiana	263,939	255,209	96.7%	0	0.0%	8,730	3.3%	0	0.0%
Iowa	298,466	159,834	53.6%	0	0.0%	138,632	46.4%	135,806	45.5%
Kansas	200,889	200,889	100.0%	0	0.0%	0	0.0%	0	0.0%
Kentucky	353,260	353,260	100.0%	0	0.0%	0	0.0%	0	0.0%
Louisiana	162,444	158,043	97.3%	4,401	2.7%	0	0.0%	4,401	2.7%
Maine	135,893	135,893	100.0%	0	0.0%	0	0.0%	0	0.0%
Maryland	61,431	61,431	100.0%	0	0.0%	0	0.0%	0	0.0%
Massachusetts	15,055	3,592	23.9%	0	0.0%	11,463	76.1%	11,463	76.1%
Michigan	305,992	295,327	96.5%	0	0.0%	10,665	3.5%	10,665	3.5%
Minnesota	262,178	70,050	26.7%	0	0.0%	192,128	73.3%	4,685	1.8%
Mississippi	292,175	292,175	100.0%	0	0.0%	0	0.0%	0	0.0%
Missouri	320,779	262,965	82.0%	52,147	16.3%	5,667	1.8%	57,814	18.0%
Montana	94,430	94,430	100.0%	0	0.0%	0	0.0%	0	0.0%

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Nebraska	149,475	149,475	100.0%	0	0.0%	0	0.0%	0	0.0%
Nevada	35,049	27,827	79.4%	7,068	20.2%	154	0.4%	7,222	20.6%
New Hampshire	77,286	77,286	100.0%	0	0.0%	0	0.0%	0	0.0%
New Jersey	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
New Mexico	108,122	101,749	94.1%	4,580	4.2%	1,793	1.7%	6,373	5.9%
New York	240,085	159,431	66.4%	12,756	5.3%	67,898	28.3%	70,593	29.4%
North Carolina	457,892	391,751	85.6%	25,480	5.6%	40,661	8.9%	40,661	8.9%
North Dakota	68,181	68,181	100.0%	0	0.0%	0	0.0%	0	0.0%
Ohio	330,811	241,646	73.0%	14,762	4.5%	74,403	22.5%	59,316	17.9%
Oklahoma	237,829	221,909	93.3%	15,920	6.7%	0	0.0%	15,920	6.7%
Oregon	169,373	48,846	28.8%	0	0.0%	120,527	71.2%	17,477	10.3%
Pennsylvania	346,297	121,875	35.2%	19,761	5.7%	204,661	59.1%	155,040	44.8%
Rhode Island	13,786	0	0.0%	0	0.0%	13,786	100.0%	13,786	100.0%
South Carolina	194,606	194,606	100.0%	0	0.0%	0	0.0%	0	0.0%
South Dakota	85,738	85,738	100.0%	0	0.0%	0	0.0%	0	0.0%
Tennessee	321,413	209,673	65.2%	20,883	6.5%	90,857	28.3%	90,857	28.3%
Texas	519,637	466,320	89.7%	4,097	0.8%	49,220	9.5%	53,317	10.3%
Utah	59,828	59,828	100.0%	0	0.0%	0	0.0%	0	0.0%
Vermont	66,932	66,932	100.0%	0	0.0%	0	0.0%	0	0.0%
Virginia	283,742	252,569	89.0%	0	0.0%	31,173	11.0%	31,173	11.0%
Washington	167,633	97,867	58.4%	15,646	9.3%	54,120	32.3%	69,766	41.6%
West Virginia	201,685	196,236	97.3%	0	0.0%	5,449	2.7%	0	0.0%
Wisconsin	297,137	143,824	48.4%	138,975	46.8%	14,338	4.8%	17,913	6.0%
Wyoming	45,587	45,587	100.0%	0	0.0%	0	0.0%	0	0.0%
USA	9,294,057	7,457,471	80.2%	437,813	4.7%	1,398,773	15.1%	1,202,989	12.9%

Methodology

In this chart, “rural” counties are those that are not part of a metropolitan statistical area (MSA) as determined by the Office of Management and Budget and the U.S. Census Bureau (www.census.gov/population/estimates/metro-city/a99mfips.txt). The number of Medicare beneficiaries in each rural county was obtained from the Center Medicare and Medicaid Services (CMS) Medicare enrollment data by county (<http://www.cms.gov/statistics/enrollment/county2001/en01cnys.TXT>).

The private managed care plans available in each rural county were identified using CMS’s Medicare Compare database as of February 2003 (<http://www.medicare.gov/download/downloaddb.asp>). This database includes each plan contract and the counties served under each contract. All managed care plans (HMOs, Cost plans, and PPOs) serving rural areas are included in this analysis. Private Fee-For-Service plans were not included.

These data sources were then combined to determine the number and percentage of rural beneficiaries nationally and in each state who have access to no plan, to only one plan, to two or more plans, and to plans with prescription drug coverage.

Note: Private fee-for-service plans were not included in this analysis because they are not managed care plans and, as such, would appear to be excluded from the President’s proposal.



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