

TESTIMONY OF JANE L. DELGADO, PH.D., M.S.

PRESIDENT AND CEO

NATIONAL ALLIANCE FOR HISPANIC HEALTH

Good afternoon, Mr. Chairman and Members of the Committee.

It is a pleasure to appear before you today to discuss the Medicare Modernization Act (MMA) and its assistance for seniors of modest and low income. My name is Dr. Jane L. Delgado and I am President and CEO of the National Alliance for Hispanic Health (the Alliance), the nation's oldest and largest organization of Hispanic health and human services professionals. Founded in 1973, today Alliance members deliver quality health services to over 12 million persons every year improving health and well being throughout the Americas. The Alliance is also a founding organizational member and serves on the five person steering committee of the Access to Benefits Coalition (ABC) formed this year to ensure that all low-income Medicare beneficiaries, including seniors and younger persons with disabilities, know about and can make the best use of both public and private prescription drug savings programs. Today ABC represents over 80 national organizations and statewide and regional ABC coalitions are currently being established across the nation.

My testimony today focuses on the promise of the Medicare Modernization Act for improved health for seniors with low and modest income. Decades of research have shown that to change behavior you need to address knowledge, attitude, and behavior. **Knowledge is not enough.** The promise of the Medicare Modernization Act will only be achieved by the development of a

community environment that supports and encourages use of new Medicare benefits and which offers local and trusted resources to encourage this change. That is the purpose of the Alliance and ABCs efforts, to go beyond media impressions to the attitude and behavior change needed to achieve signup for Medicare benefits and use of new prescription and preventive care benefits to promote healthy aging.

My testimony will have three parts: (1) the impact of the Medicare Modernization Act for Hispanics, (2) the ABC Coalition, and (3) the Alliance's efforts.

I. The Impact of the Medicare Modernization Act for Hispanics

The Hispanic "Aging Boom"

Like other population groups, Hispanics are experiencing an "aging boom." Today, there are over 2.8 million Hispanic Medicare beneficiaries and that number will continue to grow. Indeed, Census estimates have shown that the proportion of Hispanics who are elderly (65 years of age and older) will increase more than three-fold from 4.0% today to 14.1% in the year 2020. Also, Hispanics will represent an increasing proportion of the senior population overall as the life expectancy for Hispanics is longer than that of other population groups. The most recent projections by the Census Bureau put life expectancy for Hispanic men at 77.2 years compared to 74.7 years for non-Hispanic white and 68.4 years for non-Hispanic black men. Life expectancy for Hispanic women is even longer at 83.7 years which compares to 80.1 years for non-Hispanic white and 75.1 years for non-Hispanic black women. The challenge is ensuring that a longer life expectancy is accompanied by healthy aging.

Supporting Individualized Care

Modern medicines can extend life, enable a better quality of life, and reduce the use of health services. Pharmaceuticals play an important role in the treatment and management of chronic conditions common in Hispanics, including diabetes, depression, and cardiovascular disease. Pharmaceuticals have also contributed substantially to the large reduction in disability and increased ability of seniors to live independently or with home or community-based assistance which has been observed in recent years.

Looking to the future of Medicare and new prescription benefits, one of the most important issues for Medicare will be ensuring that Medicare beneficiaries have access to the best medications for their individual needs. Advances in genetic research have provided scientific insights at a new level of detail. A recently released report by the Alliance, “Genes, Culture, and Medicines,” brought together for the first time a growing body of scientific research demonstrating substantial disparities in pharmaceutical therapy for Hispanics. I have attached this important report as part of my testimony.

The report found that about 15% of Hispanics compared to 2.4%-6.7% of non-Hispanic whites have been reported to have a variation in the structure of a gene affecting the metabolism of many common drugs, requiring differences in dosing and access to a broad choice of pharmaceuticals in order to achieve a therapeutic effect. For example, Mexican Americans metabolize drugs regulated by enzymes coded by the CYP2D6 gene faster than whites. This gene mediates the metabolism of at least 30 therapeutically important medications, including

cardiovascular agents and almost all psychotropic drugs. Available research indicates the following variations in genes and drug metabolism for Hispanic populations.

CYP3A4	Slower metabolism/higher blood levels in Mexicans (metabolism in U.S. Hispanics not yet studied)	<ul style="list-style-type: none"> • nifedipine (cardiovascular) • cyclosporine (immunosuppressive) • midazolam (anesthetic)
CYP2D6	Faster metabolism in Mexican Americans Slower metabolism in Dominicans and Puerto Ricans	<ul style="list-style-type: none"> • many cardiovascular drugs • many psychotropic drugs
CYP2C9	Slower metabolism in Spaniards (U.S. Hispanic impact not yet studied)	<ul style="list-style-type: none"> • warfarin (stroke prevention) • phenytoin (epilepsy) • diabetes medications

A key factor in ensuring the benefits of medicines is a thorough understanding, not only of drug therapy, but also of individual response factors that may have an impact on the effectiveness and safety of drug therapy. Failure to recognize an individual who is a fast- or slow-metabolizer, and to adjust the dose accordingly, can potentially result in therapeutic failure or unexpected toxicity. Given the differentials in response to medicines, future Medicare prescription benefit policy must support financing and reimbursement practices that are broad and flexible enough to enable rational choices of drugs, dosages, and formulations for Hispanic patients based on their genetic, medical, and cultural needs. Formularies that restrict choices do not reflect the best science which is finding significant differentials in drug response for racial and ethnic communities and means that “one size fits all” drug policies will not meet the needs of Hispanic seniors. Choice of the best pharmaceutical therapy should be between patient and provider.

MMA and Benefits for Healthy Aging

Passage of the MMA makes more likely the prospect of Hispanics' longer life being a healthy life. More than two-thirds (69%) of Hispanic older adults with a chronic illness or disease do not have prescription drug coverage. At the same time, Hispanics are more likely to suffer from a number of chronic diseases, such as diabetes. The impact is that Hispanic older adults are more likely to go without needed medications created increased emergency room and other health costs from untreated medical conditions. New Medicare prescription and preventive care benefits are a far better use of health resources and the impact on improved quality of life for Hispanic seniors will be significant.

Research has consistently shown that Hispanics are less likely to have access to preventive care services and screenings. The impact on health is significant. Hispanics are less likely to treat conditions early and suffer the consequences of untreated illness. For example, the National Institutes of Health reports that one-third of Hispanics with diabetes are unaware of their condition. Furthermore, Hispanics suffer disproportionately from the complications related to diabetes. Beginning in 2005, Hispanic Medicare beneficiaries will benefit from new benefits for diabetes screening as well as cardiovascular disease in addition to current covered screenings such as mammograms. The Department of Health and Human Services (DHHS) has released new estimates showing Medicare preventive care screenings will be available next year to 2.8 million Hispanics for cardiovascular screening blood tests; 690,000 Hispanics for diabetes screening; and a "welcome to Medicare" initial physical exam for 130,000 new Hispanic Medicare beneficiaries every year. These screenings and the physical examination benefit for new Medicare beneficiaries will make a significant contribution to reducing the burden of

disease for Hispanic seniors. However, offering screenings without the means to treat illness discovered in those screenings would do little to promote healthy aging. Treatment of chronic disease requires access to pharmaceuticals and that is why the new Medicare prescription benefits are so important to healthy aging for Hispanics, particularly low-income seniors.

Medicines and Hispanic Medically Underserved Seniors

Despite the increased rates of chronic illness and disease, Hispanics are less likely than the population as a whole to have access to medicines. Among the specific disparities in pharmaceutical treatment of Hispanics reported in the medical literature are the following:

- Hispanics are undertreated for pain from fractures and receive inadequate management of postoperative pain.
- Hispanics are less likely than non-Hispanics to receive antipsychotic medication.
- Mexican Americans receive fewer cardiovascular drugs following a heart attack than non-Hispanic whites, especially antiarrhythmics, anticoagulants, and lipid-lowering therapies.
- Hispanic seniors receive fewer ancillary pharmacy services compared with non-Hispanics, including medication counseling.

Given this profile of less access to medicines, new Medicare prescription benefits represent an important step forward for the health of Hispanic seniors, particularly low-income seniors who have had the least access to the benefits of pharmaceutical therapy.

One of the most important features of new Medicare prescription benefits are the targeting of additional benefits to those most in need. More than one-third (37.5%) of Hispanic seniors live below 135% of the poverty level. It is this group of seniors that will realize the greatest benefits

from transitional prescription benefits this year and next year and the full Medicare prescription benefit in 2006. In addition to the drug discount cards available to all Medicare recipients, those below 135% of poverty now through the end of 2005 will receive a total of \$1,200 in additional assistance to purchase their medicines (\$600 in 2004 and \$600 in 2005) if they sign up for a Medicare-approved drug discount card this year. DHHS estimates that 345,000 Hispanic Medicare recipients are eligible for this transitional assistance translating to over \$400 million in prescription transitional assistance available to Hispanic Medicare recipients. The benefit to low income seniors will be even greater in 2006 when the full Medicare prescription benefit comes into place.

However, conflicting information on the benefit, distrust of federal information sources, and a lack of community-based resources to assist in benefit sign-up threaten to limit the number of Hispanic Medicare beneficiaries that will use the new prescription buying power offered by Medicare. Given the history of outreach to underserved communities, without a robust community-based capacity to assist Hispanic consumers many eligible Hispanic Medicare recipients are likely not to take advantage of the transitional assistance or not be reached early when they are eligible for the full \$1,200 in transitional assistance.

To address the immediate need for a broad-based effort to inform low-income seniors about the availability of a Medicare prescription assistance transitional benefit and the information they need to select a Medicare-approved prescription discount card, the Alliance has launched the *La Promesa* campaign to reach Hispanic seniors and is proud to be a founding member of the ABC coalition seeking to reach all Medicare beneficiaries eligible for prescription benefits.

II. The ABC Coalition

The Alliance membership is dedicated to ensuring that the communities we serve have the best information about changes in Medicare, because the prescription and preventive care benefits under MMA represent a significant and important expansion of health care access for underserved Hispanic seniors. We are proud to be a founding member and serve on the five persons steering committee of the Access to Benefits Coalition.

Helping to address the need for accurate and timely information provided by trusted sources is central to the efforts of the Access to Benefits Coalition (ABC), particularly for low and modest income seniors. ABC, is a public-private partnership of over 80 diverse organizations that share a commitment to helping lower income Medicare beneficiaries find the public and private prescription savings programs they need to maintain their health and improve the quality of their lives. **ABC's goal is to have enrolled 5.5 million beneficiaries by the end of 2005, 800,000 more than what CMS estimates.** The following are some characteristics of the ABC members.

- Public-private partnership
- National ABC Coalition now includes more than 80 core organizations; 100 expected
- State and local ABC Coalitions will mirror national, and provide broad and deep grassroots support and mobilization
- All share commitment to helping low-income Medicare beneficiaries connect to new Medicare Rx and other Rx benefits, public and private
- All focused on providing decision and enrollment support to low-income beneficiaries
- Needed to supplement federal government's awareness program

ABC members and partners are:

- 82 national nonprofit organizations
- CMS, AoA, CNS and other Federal agencies
- Pharmaceutical and pharmacy companies
- State health insurance counseling programs, state and area agencies on aging and other aging/disability services
- State and local governments
- Health care organizations and systems
- Physician, pharmacist and other health provider groups
- Business community, including, PBMs, employers, media
- Private foundations

What ABC is and is not about defines our work:

ABC IS about:

- Effective implementation of the new Medicare law to ensure that low-income beneficiaries make optimal use of available public and private benefits to pay for prescription drugs.

ABC IS NOT about:

- Whether the Medicare law should or should not have been passed.
- Whether the Medicare law should be reformed or how.
- Who should be elected President or to Congress.

- What beneficiaries who are not low-income should do.
- Taking a position on other legislative issues

The following are key characteristics of the ABC governance.

Steering Committee

- Jim Firman, NCOA, Chair
- Stephen McConnell, Alzheimer's Association
- Jane Delgado, National Alliance for Hispanic Health
- John Rother, AARP
- Randy Rutta, Easter Seals

Steering Committee Responsibilities

- Governance
- Overall Strategy
- Policy
- Decision-making
- Fundraising

Charter

Working Groups

- Outreach and Mobilization
- Research and Policy
- Media and Communications

Small national staff

Every member organization shares a commitment to helping lower income Medicare beneficiaries connect to new Medicare and other prescription drug benefits, both public and private. The national coalition represents a diverse group of senior, disability, faith-based, minority, provider, consumer, and advocacy organizations, and is growing on a weekly basis. The organizations have unique reach and credibility among Medicare beneficiaries.

With support from the pharmaceutical companies, ABC is able to promote the creation of local

Access to Benefits Coalitions in 50 cities and States across the country.

- 30 “catalyst” agencies have signed up to lead local ABC efforts in the largest metropolitan areas in the country where the majority of low income beneficiaries live.
 - Initial catalyst grants of \$7500 announced July 13 to form local Coalition and develop implementation plan
 - Implementation Plan due to ABC on August 2; following review and approval, an additional \$32,500 will be made available to local Coalitions who provide quality implementation plan; add-on grants will be awarded no later than September 1.
- An additional 20 coalitions will be formed in other States and cities, selected by ABC through a competitive process
 - The ABC RFP was issued on June 23, and proposals are due August 2.
Awards up to \$40,000 will be made no later than September 1.

Through the national, State and local ABC’s, hundreds of non-profit organizations will reach out to the thousands of low income beneficiaries that need help in understanding and enrolling in the combination of programs that will give them the most savings on their prescription drugs.

The Coalition has also recently made available – at www.accesstobenefits.org – a variety of new web-based tools, which are designed primarily to help ABC members and their affiliates to find, educate and help enroll lower income beneficiaries in prescription savings programs. The use of enhanced decision support tools is a key ABC strategy. We know that many lower income people with Medicare who could benefit the most from using web-based decision support tools do not have access to the Internet. Therefore, thousands of Coalition members (staff and

volunteers) will be trained and supported to serve as intermediaries, and help lower income beneficiaries and their families use these new tools, which include:

- **State Prescription Savings Guides** – The Coalition has prepared 51 easy-to-understand State Prescription Drug Savings Guides with state-specific information. This section of the ABC website provides program descriptions, eligibility and enrollment information for the Medicare-approved discount card program, Medicaid and other state drug discount programs, Veterans' Assistance as well as pharmaceutical company discount card and patient assistance programs. A useful bar graph with comparative income eligibility requirements for various programs is also included.
- **Enrollment Center** – Beneficiary education is not enough; people must actually enroll in the benefits they are eligible for. The ABC website includes hundreds of prescription drug savings program enrollment forms. By selecting a state, the user can view enrollment forms for state pharmacy programs, patient assistance programs and Medicare-approved discount drug cards. Some of the forms are fillable online – meaning that they can be filled out while on a computer and printed. Others can only be viewed on-line, printed out and filled out manually.
- **Promising Practices in Outreach and Enrollment** – This section of the website provides links to summaries of case studies that affect outreach and enrollment across various public benefits. Case studies are summarized by category, including: Cross-Program Collaboration; Outreach to Ethnic Populations; Rural Outreach; Provider Enrollment Activities; and Public-Private Partnerships. While not every strategy reported is directly applicable to initiatives related to the Medicare drug benefit, the parallels are significant enough to be of value in the design process of a campaign directed to lower income Medicare beneficiaries. Each case

study includes a link to the longer work from which it was taken; in addition, a fully annotated bibliography of the literature in outreach and enrollment is available.

The www.accesstobenefits.org website also includes a link to the BenefitsCheckUpRx decision support tool, which includes approximately 260 public and private programs to assist seniors in determining what help they can get to pay for prescription drugs. Users can access a questionnaire specifically tailored to promote access to these Rx benefits. The service is also available in Spanish. The coalition is developing an enhanced version of the site, which should be available in late August, to facilitate and simplify decision-making and enrollment in the full range of prescription drug savings programs. The new decision-support tool will help beneficiaries to determine the individualized combination of programs that will save them the most money – not only new Medicare benefits, but state pharmaceutical assistance programs, discount card programs that are not Medicare-endorsed, and over 130 private drug manufacturer patient assistance programs.

III. Efforts of the National Alliance for Hispanic Health

Lessons from the Field

In May of 2004, as Medicare beneficiaries were being informed of the availability of Medicare-approved drug discount cards and transitional assistance, the Alliance launched the *La Promesa* initiative to establish a Hispanic community capacity to support sign-up for new Medicare prescription benefits. Initial activities under the initiative have included:

- Establishment of a network of programs in 25 Hispanic community-based organizations to provide information on Medicare transitional assistance and counseling as part of ongoing

community programs utilized by Hispanic seniors such as community exercise, nutrition, and health education programs;

- Release of a Spanish and English educational video featuring popular Spanish-language television personality Chef Pepín talking about the importance of signing up for new Medicare prescription benefits and the steps for getting a Medicare-approved drug discount card and transitional assistance;
- Distribution of 150,000 copies of a new bilingual workbook for Hispanic Medicare beneficiaries on the steps for getting a Medicare Rx card and space for beneficiaries or their care providers to collect and write down the type of information they need (medications taken, income, local pharmacy address) before calling 1-800-MEDICARE for help in selecting a Medicare-approved drug discount card; and
- Integration of Medicare transitional assistance information as part of the Alliance's National Hispanic Family Health Helpline (1-866-SU-FAMILIA) so that callers can order *La Promesa* information and be referred to 1-800-MEDICARE or a *La Promesa* program in their community offering support in signing up for Medicare prescription transitional assistance.

The Alliance's initial experience with the *La Promesa* initiative has demonstrated several lessons from the field on reaching underserved Hispanic seniors with information on Medicare and new benefits. These include:

- **Accurate and timely information is needed.** There is confusion on what Medicare recipients are eligible to receive. Participants in local programs often report that they have received conflicting information. Indeed, many times the information local program participants report comes from news reports on the ongoing public policy debate on reform of the Medicare Modernization Act rather than information about specific benefits available

today to Medicare beneficiaries. To address this issue, *La Promesa* conducted key informant interviews and based on that process developed a simple “4 steps to getting your Medicare Rx card” message to focus on the new benefits and how to get the full \$1,200 transitional assistance benefit by applying before the end of this year.

- **Trusted providers of information are key.** Since Medicare beneficiaries are getting a wide variety of information, sometimes conflicting, it is more important than ever that providers of information be trusted in order to help beneficiaries sort through the information (sometimes misinformation) that they have. For Hispanic underserved communities, this is frequently a source other than the government. One of the most important and trusted sources of information in Hispanic underserved communities is the network of Hispanic-serving community-based organizations (CBOs). Hispanic CBOs are a local presence in the community and have a history of delivering services to their community. They have a level of trust with Hispanic underserved seniors that puts CBOs in a unique position to effectively support seniors apply for Medicare transitional assistance. It is important that as Medicare’s plans for outreach evolve, that CBOs serving underserved communities are a central part of those plans. One important effort by CMS is that regional office staff have been “outstationing” to community agencies to provide support to CBO staff and training on Medicare transitional assistance. It is important that the State Health Insurance Counseling and Assistance Programs (SHIPs), that have received the majority of outreach funding under MMA, physically “outstation” themselves at community-based organizations to provide support to CBO staff and direct assistance to Medicare beneficiaries in environments that promote trust.

- **Continuing with local pharmacy provides reassurance.** One of the important decision points for Hispanic seniors on choosing a Medicare-approved drug discount card has been whether or not they can continue to get their medications at their local pharmacy. It is important that CMS continue to work with discount card companies to provide the most accurate information possible on this decision factor for Medicare beneficiaries selecting a Medicare-approved Rx discount card.

- **Wrap-around benefits are important to decisions to select a Medicare Rx discount card.** The decision by many pharmaceutical companies to provide “wrap-around” benefits offering discounted or free medications after Medicare transitional benefits are exhausted has proven an important incentive to many beneficiaries to apply for a Medicare Rx discount card. Furthermore, the effort by many states to more seamlessly integrate state pharmacy assistance programs with Medicare discount cards reduces confusion for seniors and supports the goal of the broadest access possible to prescription benefits for underserved seniors. It is vital that CMS continue in its leadership role with states to support strategies to integrate services. Furthermore, the announcement by CMS last week that medicare.gov would integrate information about pharmaceutical company wrap-around benefits is a significant step to reducing consumer confusion and making it easier for beneficiaries to get the information they need in the easiest way possible.

Conclusion

Enactment of the new Medicare law is the single-most important opportunity to help lower income Medicare beneficiaries to have emerged in the past 40 years. Of immediate significance is the fact that Medicare-approved discount cards include a \$600 transitional assistance (TA)

credit this year and next for those with annual incomes below 135 percent of poverty (this year, \$12,569 for singles; \$16,862 for couples), regardless of assets.

However, Medicare transitional benefits are only one of several important components of the prescription safety net - hundreds of other public and private prescription programs are also available. Most low-income beneficiaries who enroll in the credit program can save a significant amount more than \$600 in 2004 and 2005. This is because of the commendable actions by several pharmaceutical manufacturers to offer savings programs for low-income seniors that “wrap around” the Medicare-approved cards. The bottom line is that low-income beneficiaries who take multiple medications and who have incomes below 135% of poverty could save from 40% to 90% on their medications in 2004 and 2005. Low-income beneficiaries will benefit even more from new preventive care benefits in 2005 and when the full Medicare prescription benefit is implemented in 2006.

The importance of ensuring that those in greatest need receive the help they are entitled to is underscored by the significant opportunities and challenges inherent in enrolling low-income beneficiaries in the Medicare discount card \$600 credit program. While government efforts will reach beneficiaries who are currently well-served by the current system, years of experience tell us that there also needs to be complementary, coordinated initiatives that go much deeper into the community in order to educate consumers and their families, help them make informed

choices and facilitate their actual enrollment in the new Medicare benefits. The National Alliance for Hispanic Health and the Access to Benefits Coalition are dedicated to this goal.

Congress in passage of the Medicare Modernization Act recognized that ensuring all Medicare beneficiaries would benefit from the new law would require robust community-based programs. Report language to the final legislation called for *special outreach efforts...for disadvantaged and hard-to-reach populations, including targeted efforts in historically underserved populations, and working with...community organizations serving Medicare beneficiaries*. To date, CMS has had limited success in putting community-based organization efforts in the field. Part of the barrier is CMS' limited legislative authority to enter into the types of cooperative agreements with community agencies that most other DHHS agencies make full use of to achieve their Congressionally mandated outreach goals. It is vital that CMS have the full authority it needs to work with community organizations in fulfillment of Congressional report language on reaching underserved communities so that when CMS reports back to Congress as required in three years on outreach efforts to low-income and underserved communities . . . it will report full success.

Success will be achieved if our education approaches look beyond the glitz of a national campaign with the only goal of increasing knowledge and counting impressions made on consumers watching television, listening to the radio, or reading a magazine or newspaper. Decades of research have shown that to change behavior you need to address knowledge, attitude, and behavior. **Knowledge is not enough.** The promise of the Medicare Modernization Act will only be achieved by the development of a community environment that supports and encourages use of new Medicare benefits and which offers local and trusted resources to

encourage this change. That is the purpose of ABCs efforts, to go beyond media impressions to the attitude and behavior change needed to achieve signup for Medicare benefits and use of new prescription and preventive care benefits for healthy aging.