Investigators Find Medicare Drug Plans Often Give Incomplete and Incorrect Data

By ROBERT PEAR

WASHINGTON, July 10 — Federal investigators said Monday that Medicare prescription drug plans generally provided incomplete and inaccurate information to callers who asked questions about the new benefit.

The findings, from the Government Accountability Office, a nonpartisan investigative arm of Congress, are significant because the premise of the new program is that consumers will make informed choices among dozens of competing plans.

Investigators placed 900 calls to 10 of the largest companies that offer drug coverage to Medicare beneficiaries. They reached customer service representatives in 864 calls.

The plans provided accurate, complete responses to one-third of the calls, 294 of the 864. Twenty-two percent of the 864 responses were inaccurate, 29 percent were incomplete, and no answers were provided to the other questions.

Two of the 10 companies gave inaccurate or incomplete information at least 75 percent of the time, the report said. And operators at the same company sometimes gave different answers to the same question.

Insurers typically offer two or three Medicare drug plans in each state. They have different premiums and co-payments and cover different drugs.

The G.A.O. said, “Relatively few customer service representatives were able to accurately identify the least costly plan and calculate its annual cost.”

When they correctly identified their least costly plans, the representatives usually “provided a quote that was less than the actual cost,” the report said.

Insurers failed to provide complete and accurate cost information more than 70 percent of the time, investigators said. For people taking large numbers of prescription drugs, the disparity between the stated cost and the actual cost was often thousands of dollars a year, more than $6,000 in one case.

Because of the “poor performance” of call centers, the study said, beneficiaries may often choose drug plans that cost more or provide less coverage than they expected.

The Bush administration took issue with the report and defended the work of the plans. The administration said the auditors should have asked different questions or should have phrased the questions differently. But it agreed that “beneficiaries should be able to count on the customer service” from their plans.

The drug benefit is provided by insurance companies under contract to the government. Medicare requires them to answer phones promptly, but the accountability office said the Medicare agency "has established no performance requirements" for the accuracy of answers given to callers.

Representative Pete Stark, Democrat of California, one of five House members who requested the study, said: "It's not enough to simply answer the phone. Medicare should guarantee that plans provide accurate and complete information. If private plans can't meet basic standards for quality service, they should not be in the program."

The experience of Josephine M. Arno of San Diego appears to illustrate the problem. Ms. Arno said she had been frustrated in trying to obtain information to help her mother-in-law enroll in a Medicare drug plan.

"The customer service representatives could not tell me what the premium, deductible and co-payments would be," Ms. Arno said. "They did not know what I needed to do to get extra help for my mother-in-law."

Edward L. Randolph Sr., 47, of Barnesville, Ohio, a disabled beneficiary, said his plan had told him that he would not have a premium. Mr. Randolph said the company had been charging him $49 a month.

Many insurers referred callers to a toll-free government telephone number, (800) MEDICARE (633-4227). In May, the accountability office reported that Medicare operators often provided incorrect or incomplete information.

In an interview on Monday, Dr. Mark B. McClellan, administrator of the Centers for Medicare and Medicaid Services, said that one question posed to insurers was "unclear and inaccurate" and that two were "not appropriate" because they required the service representatives to provide more information than the government required. Insurance counselors said many beneficiaries were unfamiliar with details of the program, so their questions were imprecise or confused.

Dr. McClellan said, "We have had a pretty low rate of complaints, 2.2 per 1,000 beneficiaries in prescription drug plans, and inaccurate information has not been a major reason for complaints."

But Senator Olympia J. Snowe, Republican of Maine, said: "Any program that relies on choice must ensure that those choices are well informed. The G.A.O. has found that seniors receive accurate and complete information from Medicare drug plans only one-third of the time. This is inexcusable and must change."

In its investigation, the accountability agency asked plans, "If some of my grandfather's drugs are not covered, will he have to pay full price for them or are there other things he can do?"

Operators often said the sole option was to pay full price. In fact, a beneficiary can ask for an exception or can switch to a covered drug.

Investigators also asked insurers whether any of their plans were available to low-income beneficiaries with no premium. Insurers answered that question correctly 34 percent of the time.