



Department of Banking,
Insurance, Securities and
Health Care Administration

Prescription Drug Coverage of Vermont Residents

Issue Brief: Number 2, October 2001

Background

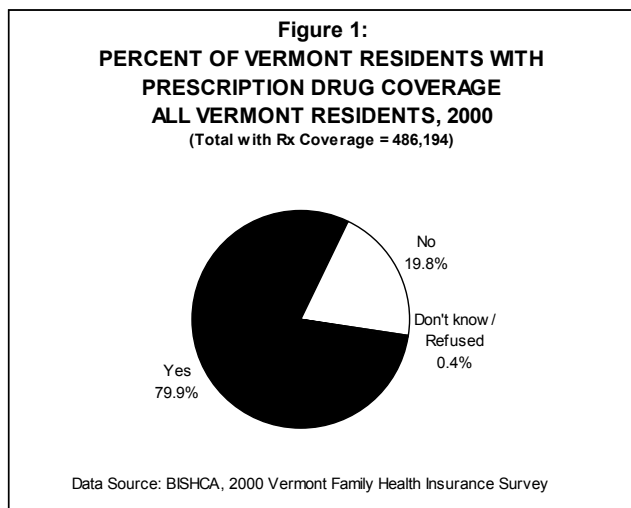
The 2000 Vermont Family Health Insurance Survey (2000 Survey) provides information about health insurance coverage, demographic and employment characteristics, and financial barriers to health care of Vermont residents. The 2000 Survey was a random digit-dial telephone survey that interviewed 8,623 households with 22,258 individuals and had a response rate of 68%. The margin of error was $\pm 1\%$ statewide and $\pm 3.5\%$ at the county level. This issue brief focuses on prescription drug coverage of all Vermont residents.

The 2000 Survey estimated the number of Vermont residents with prescription drug coverage, the source of prescription drug coverage, and how many Vermont residents did not fill a prescription medication because of cost. Vermont seniors and Medicare beneficiaries were asked additional questions concerning prescription drugs, and this analysis will be featured in Issue Brief: Number 3.

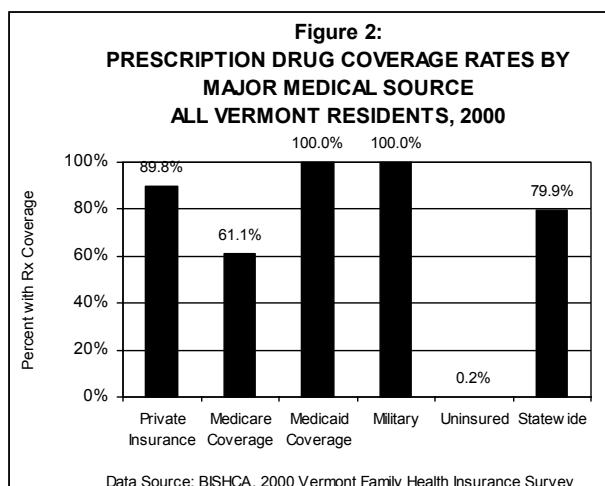
For more information about the 2000 Survey, please visit www.bishca.state.vt.us or contact the Vermont Division of Health Care Administration at (802) 828-2900.

How many people in Vermont have prescription drug coverage?

The 2000 Survey estimated that 486,194 individuals or 79.9% of all Vermont residents had prescription drug coverage in 2000 (Figure 1).



Prescription drug coverage rates varied by primary major medical insurance source. 89.8 percent of Vermont residents with private insurance (e.g., Blue Cross Blue Shield of Vermont, MVP) reported prescription drug coverage, while 61.1% of Vermont residents with Medicare as their primary health insurance source reported prescription drug coverage through another source (Figure 2). All individuals with Medicaid and military based coverage have prescription drug coverage in Vermont.



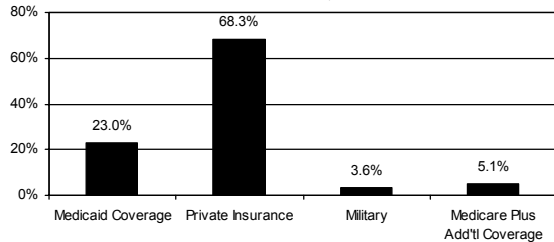
What are the sources of prescription drug coverage?

Of the 486,194 Vermont residents with prescription drug coverage, 9.5% indicated having more than one type of coverage. For example, 4,845 Vermont residents with private health insurance also reported receiving prescription drug benefits through the military. The largest source of prescription drug coverage in Vermont was through private insurance (68.3%) in 2000 (Figure 3). This included Medicare supplemental policies, as well as prescription drug benefits associated with major medical health insurance. 23.0% of those with prescription drug coverage in Vermont reported receiving coverage through the state's Medicaid program. This included those enrolled in the traditional Medicaid program, as well as those individuals participating in the V-Script and the VHAP Pharmacy programs. 3.6% of those with prescription drug coverage indicated receiving coverage through the military.

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Figure 3:
DISTRIBUTION OF PRESCRIPTION DRUG COVERAGE
BY SOURCE OF COVERAGE
VERMONT RESIDENTS WITH PRESCRIPTION DRUG
COVERAGE, 2000

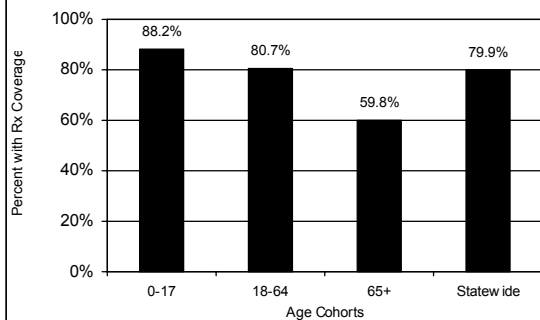


Note: Some Vermont residents have more than one type of prescription drug coverage source. In instances with multiple prescription coverages, each coverage is counted separately above.
Data Source: BISHCA, 2000 Vermont Family Health Insurance Survey

Are there demographic differences in prescription drug coverage rates?

Age - The likelihood of having prescription drug coverage was greatest for younger Vermont residents. 88.2% of Vermont residents aged 0-17 reported having prescription drug benefits (Figure 4). 80.7% of Vermont adults aged 18-64 indicated prescription drug coverage, while only 59.8% of Vermont seniors reported having prescription drug coverage. The prescription drug rate for children was higher because a larger percentage of children are enrolled in the Medicaid program, a government health insurance program which offers prescription drug benefits. The lower rate for Vermont seniors was not surprising, since Medicare, the federal health insurance program for seniors and some disabled individuals, does not provide prescription drug benefits.

Figure 4:
PRESCRIPTION DRUG COVERAGE BY AGE
ALL VERMONT RESIDENTS, 2000

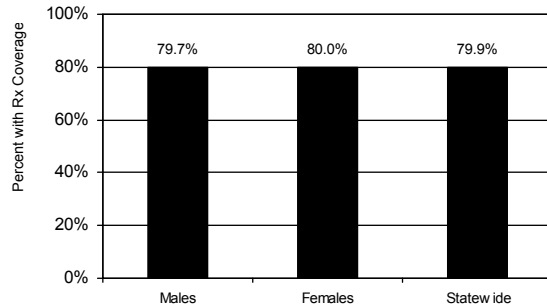


Data Source: BISHCA, 2000 Vermont Family Health Insurance Survey

Gender - Are there differences in prescription drug rates by gender in Vermont? Figure 5 indicates that the prescription drug rates for males and females were

nearly identical in 2000. 79.7% of Vermont men reported prescription drug coverage, while 80.0% of Vermont women indicated prescription drug coverage.

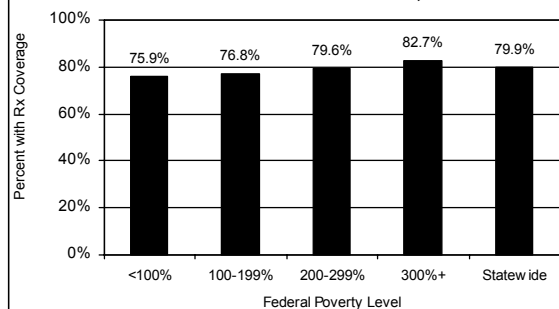
Figure 5:
PRESCRIPTION DRUG COVERAGE BY GENDER
ALL VERMONT RESIDENTS, 2000



Data Source: BISHCA, 2000 Vermont Family Health Insurance Survey

Income - In 2000, individuals in families with lower income resources were slightly more at risk for not having prescription drug coverage (Figure 6). Vermont residents in families making less than 100% of the federal poverty level (FPL) reported having a prescription drug coverage rate of 75.9%. (This represented an income of less than \$11,250 for a family of two and \$17,050 for a family of four, according to the 2000 FPL Guidelines.) 82.7% of individuals in families living above 300% FPL (an income of \$33,750 for a family of two and \$51,150 for a family of four) reported having prescription drug benefits. Overall, there was not a significant difference in prescription drug coverage rates by income, probably due to the availability of the Medicaid program, which includes prescription drug benefits, to lower income individuals.

Figure 6:
PRESCRIPTION DRUG COVERAGE BY FEDERAL
POVERTY LEVEL
ALL VERMONT RESIDENTS, 2000



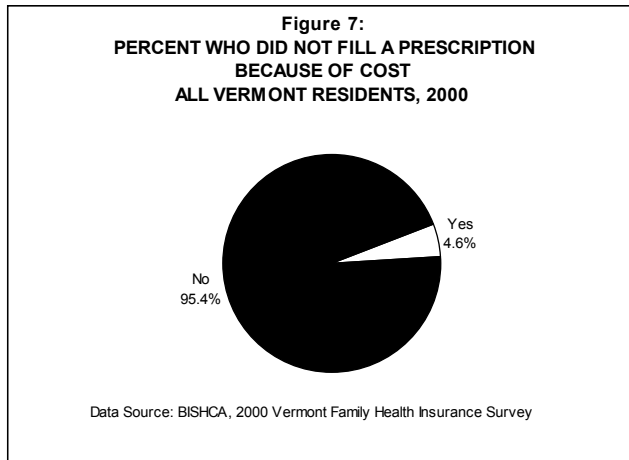
Data Source: BISHCA, 2000 Vermont Family Health Insurance Survey

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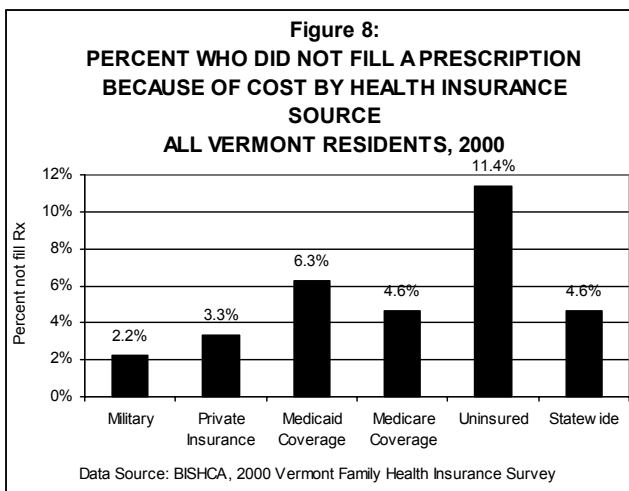
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How many Vermont residents did not fill a prescription because of cost?

The 2000 Survey asked how many people did not fill a prescription medication in the past 12 months because of cost. Approximately 4.6% of all Vermont residents (28,256 individuals) indicated that they had not filled a prescription because of cost (Figure 7).

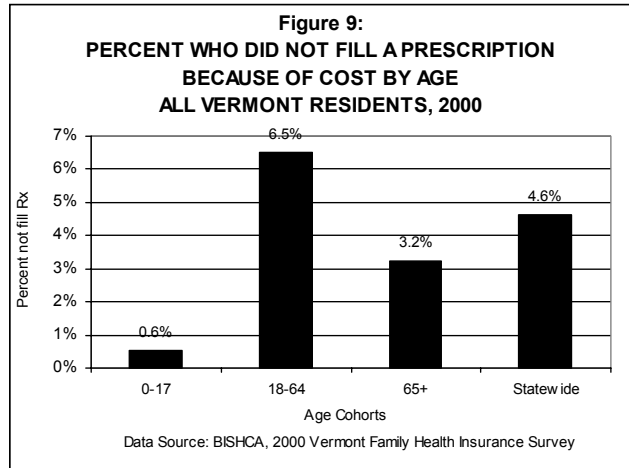


Individuals without health insurance were the most likely to not fill a prescription because of cost (Figure 8). 11.4% of the uninsured indicated they had not filled a prescription because of the medication's expense. This rate was nearly double of the next highest group, individuals with Medicaid insurance (6.3%).



Was age a factor in determining whether prescriptions were not filled by Vermont residents? 3.2% of Vermont seniors indicated that they had not filled a prescription in 2000 because of cost (Figure 9). Less than 1% of chil-

dren did not fill a prescription, and 6.5% of adults aged 18-64 did not fill a prescription because of cost in 2000.



Acknowledgements

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The 2000 Survey would not have been possible without the voluntary cooperation of the 8,623 Vermonters who took the time to complete the 20 minute telephone interview and made this project a success.

Additional Survey Information

More detailed information examining prescription drug coverage of Vermont seniors will be featured in Issue Brief: Number 3. This publication will include prescription drug expense information of Vermont seniors, the number of Vermont seniors with supplemental insurance coverage, the cost burden of prescription drugs of Vermont seniors on household budgets, and how often Vermont seniors take smaller prescription doses in order to prolong the supply. For more information about the 2000 Survey, please visit the BISHCA web site at www.bishca.state.vt or contact the Division of Health Care Administration at (802) 828-2900.