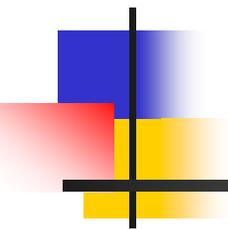


MEDICARE PART D Overview

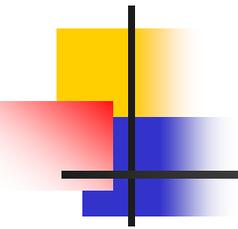


September 14, 2005

Prepared by:

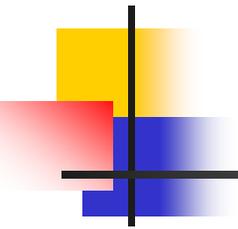
Jim Siemianowski,
Senior Policy Advisor

Department of Mental Health and
Addiction Services



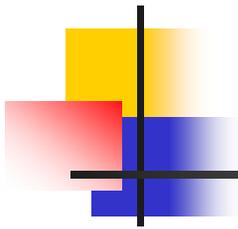
Presentation Goals

- Provide an overview of Medicare Part D
- Identify affected DMHAS clients
- Clarify impact on clients and key decision points
- Familiarize providers with implementation plan and critical timelines
- Identify outstanding or unresolved issues
- Highlight advocacy and support role



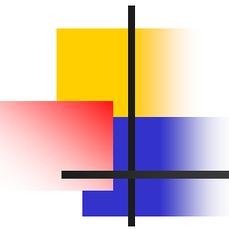
Medicare Part D

- New prescription drug benefit for Medicare
- Medicare Modernization Act (12-03)
- Medicare Part D begins January 1, 2006
- Voluntary for individuals who receive straight Medicare benefits
- Mandatory for ConnPace and dually eligible
- Center for Medicare & Medicaid Services (CMS) will contract with entities to offer stand-alone PDPs



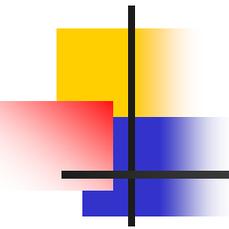
Part D Basics

- Managed prescription drug care
- Provides extra help for persons with low income (low-income subsidy)
- Features scaled premiums, co-pays, and deductibles based on income and insurance groupings (duals, institutionalized)
- Auto-enrolls certain groups (duals)
- Penalty for late enrollment after May 2006



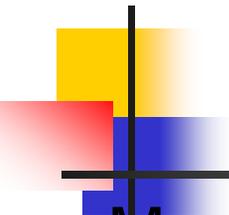
CT Medicare Beneficiaries

- CT has 535,000 Medicare beneficiaries
 - 62,000 dual eligible recipients
 - 48,812 ConnPACE
- DMHAS State –Operated Facilities
 - Inpatient
 - Medicare only = 12%
 - Dual eligible = 13%
 - Outpatient
 - Medicare only = 5%
 - Dual eligible = 25%



Who is Affected at DMHAS?

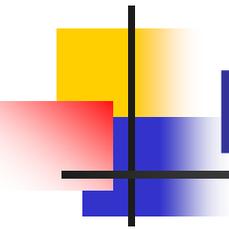
- All Medicare eligible clients
 - Elderly insured solely with Medicare
 - Disabled/elderly who are dually insured
 - Persons insured currently through ConnPace



Dual Eligibles Defined

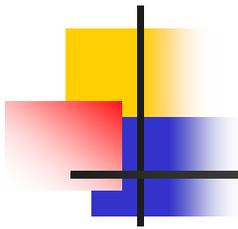
- Medicaid Impact – As of 1/1/06, the following categories of Medicaid beneficiaries must obtain their prescriptions through Medicare:
 - All Medicaid beneficiaries over the age of 65 entitled to Medicare Part A or enrolled in Medicare Part B
 - Medicare-eligible disabled persons
 - Medicare beneficiaries who spend-down to Medicaid eligibility

These are known as “DUAL ELIGIBLES”



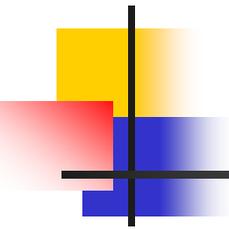
Effect on Dual Eligible Clients

- Dual Eligible
 - Drug coverage shifts from Medicaid on 1-1-06.
 - Premiums fully paid by feds
 - Institutionalized clients will have no premium, co-pay, or deductible
 - Other dual eligible clients have co-pay of \$1-\$5 per prescription based on income (no exceptions)
 - Most psychiatric meds will be covered except benzos and barbiturates
 - Non-Part D meds will be covered by DSS per recent legislation
 - Will be auto-enrolled in PDP in October 05
 - May change plans 11-15-05 - 12-31-05



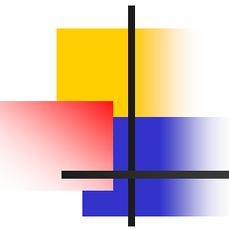
Part D and Spenddown

- Drug coverage provided by Part D 1-1-05
- Pay premiums, co-pays, and deductibles like straight Medicare until you spenddown to Medicaid
- Can qualify for reduced premiums, co-pays and deductibles based on income and qualification for Extra Help
- Most psychiatric meds will be covered except benzos and barbiturates
- Pharmacy costs are counted differently so it may take longer to spenddown
- Once client spends down they are dual eligible for remainder of calendar year and costs change
- Must select plan



Effects on Medicare Only

- Medicare only
 - New prescription drug benefit effective 1-1-06
 - Phase-in extends to May 06
 - Can elect to participate and select plan
 - Premium payment, co-pays and deductibles based on income and qualification for low income subsidy
 - May include a coverage gap (doughnut hole)
 - Will not have coverage for certain drugs (benzos and barbiturates)
 - Will likely reduce overall out-of-pocket costs



Effects on ConnPace

- Mandatory participation in Part D
- Cost remains the same or reduced
- ConnPace annual registration fee continues
- Do not pay premiums for Part D
- Must complete LIS application as condition for participation in ConnPace
- Co-pay, and deductible may be reduced based on LIS
- No coverage gap (doughnut hole)
- Medicaid/DSS will cover non-covered Part D drugs (i. e. benzos, barbiturates)

What Will Medicare Part D Cover?



Covered:

- Prescription Drugs
- Biological products
- Insulin (and supplies associated with the injection of insulin)
- Vaccines
- Compounded Drugs
- Parenteral Nutrition

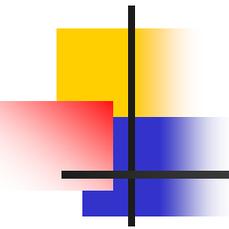
What Drugs Will Medicare Part D Not Cover?



Non-Covered:

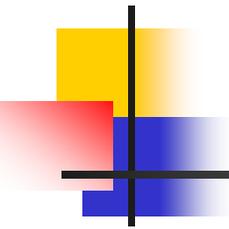
- OTC's*
- Weight loss
- Fertility
- Cosmetic
- Certain symptomatic relief of cough & colds*
- Prescription Vitamins
- Barbiturates*
- Benzodiazepines*

*Benzos and barbiturates will be covered in wraparound for dual eligible & ConnPACE clients



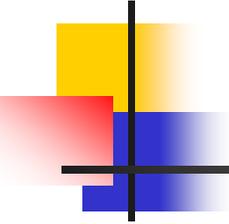
Part D Process

- Notification letters re Part D
- Low-income subsidy (LIS) applications
 - Must be completed if ConnPace, advisable if straight Medicare
 - Full benefit dual eligibles automatically qualify
- Enrollment
 - PDP is selected by straight Medicare
 - Auto-enrolled in PDP if dually eligible



Low Income Subsidy (LIS)

- Provides assistance with premiums and deductibles based on income eligibility determination
 - Automatic eligibility for low income subsidy for duals
 - No premium payment
 - Requires co-pay unless institutionalized
- Broad application process
- Notification of LIS begins in May
- Social Security has primary responsibility for determination process
- States accept low income apps. July 1

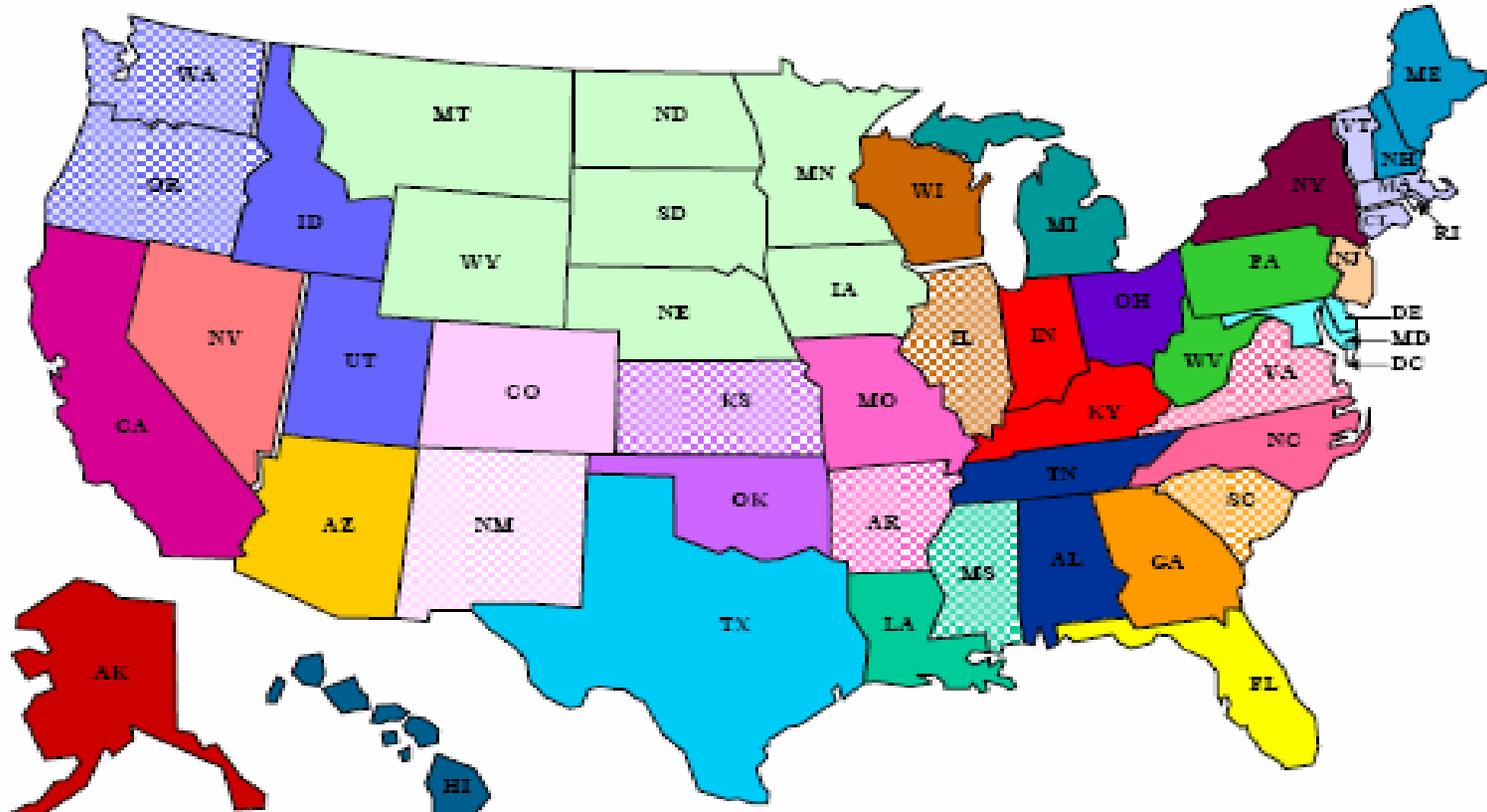


Enrollment Process

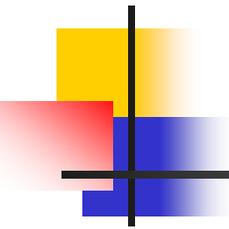
- Dual eligibles auto-enrolled in Prescription Drug Plan (PDP) late fall 05
- Other beneficiaries must select a PDP during the Initial Enrollment period of 11/15/05 to 5/15/06.
- Open enrollment period for dual eligibles 11-15-05 – 12-31-05 if another PDP better meets their needs

Medicare Advantage (MA) & PDP Regions

MA and PDP Regions

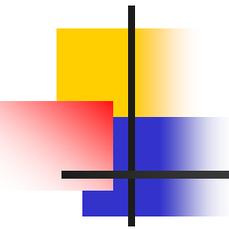


CT, VT, MA & RI
will be serviced by the same PDPs



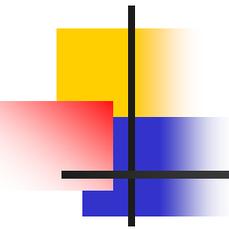
Standard Drug Benefit

- The standard Part D benefit with no extra help will have:
 - Monthly premium (\$20-\$35)
 - Co-pays
 - Deductible of \$250 annually
 - Initial coverage - \$250-\$2,250 in total drug spending where Part D pays 75% of the drug costs and the beneficiary pays 25%
 - Donut hole between \$2,250-\$5,100, where Part D pays nothing
 - Catastrophic coverage - \$5,100 on up, Part D pays 95% of drug costs for the rest of the calendar year



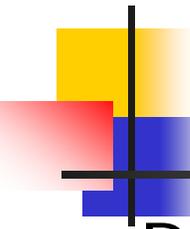
Medicare Part D - Formulary

- Developed by a P&T Committee
- Includes at least 2 drugs in each therapeutic category and class
- Effective 6-05 PDP's must cover "all or substantially all" drugs in categories of antipsychotics, antidepressants, and anticonvulsants
- 30 days notice before changing formulary
- Provide an appeal process for non-covered drugs
- Process for suggesting generic or lower cost products.
- No disincentives for enrollment



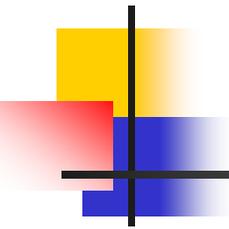
Known Info re CT PDP's

- 18 plans overall
- 7 eligible for auto-enrollment
- Premiums range from < \$20 up to \$35
- Plans will be announced by CMS
September 15th



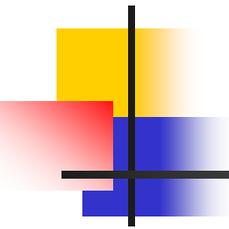
Legislative Action and Medicare

- DSS must offer wraparound coverage for benzos and barbiturates to duals and ConnPace
- Did not provide funding for co-pays
- For ConnPACE recipients, co-pays will not exceed the current \$16.25 co-pay and may be less
- DMHAS Commissioner/designee given authority to act on behalf of DMHAS clients in relation to Part D (enrollment and denials)



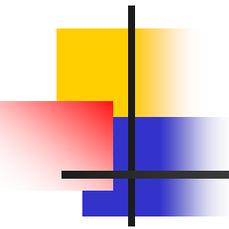
Effective Advocacy for Part D

- Identify all Medicare eligible clients
- Inform them about Part D and effects
- Acquaint them with materials they will receive (do not throw anything out!!!!)
- Review LIS or deemed letters with clients
- Assist to apply for the LIS if necessary



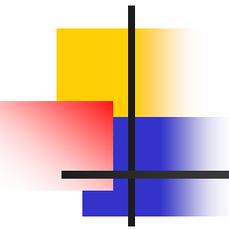
Additional Steps

- Compile list of individual client medications
- Review plans in October to determine if meds are covered
- Complete enrollment process
- Assist dual eligibles to switch if another plan better meets their needs
- Link clients to other Part D resources



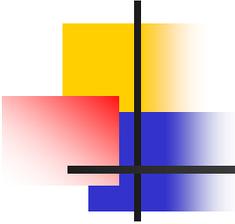
Resources for Decision-making

- Prescription Drug Plan Finder
 - Online plan comparison tool
 - Available October 13th
 - Electronic plan enrollment
 - Access @ www.medicare.gov
- 1-800-MEDICARE
 - Operator-assisted plan comparison
 - Available in October



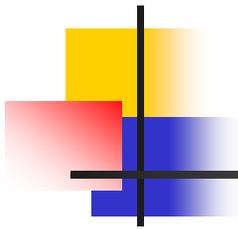
Outreach & Education

- Broad outreach and education strategy
- Federal Grant for \$2.5 million for FFY's 06 & 07
- Public Information & education campaign partners
 - CHOICES
 - 5 Area on Aging Agencies
 - Infoline
 - Center for Medicare Advocacy
 - Conn. Pharmacists Association
- Presentations & material distribution
- Training sessions
- Mobile eligibility bus



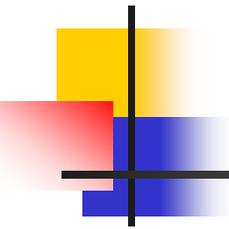
Glossary

- CMS - Centers for Medicare & Medicaid Services
- ConnPACE - Connecticut Pharmaceutical Assistance Contract for the Elderly and the Disabled
- FPL - Federal Poverty Level
- FUL - Federal Upper Limit
- FY - Fiscal Year
- MA - Medicare Advantage
- Full dual eligible – Medicare & Medicaid client with full Medicaid benefits
- Partial dual eligible – Medicare enrollees (QMB, SLMB, QI) with premiums and/or deductibles paid for by Medicaid but no Medicaid coverage provided
- **NDC - National Drug Code**
- **OTC - Over-the-Counter**
- **PA - Prior Authorization**
- **PBM - Pharmacy Benefits Manager**
- **PDL - Preferred Drug List**
- **PDP - Prescription Drug Plan**
- **P&T Committee - Pharmaceutical & Therapeutics Committee**
- **SSA – Social Security Administration**
- **SPAP-State Pharmaceutical Assistance Program**
- **TrOOP – True-Out-of-Pocket Expenditures**
- **LIS - Low Income Subsidy**



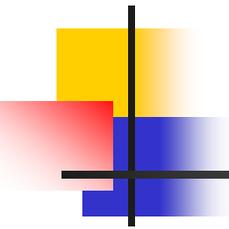
Unknowns

- Specific PDP's (award in Fall 05)
- Formularies and covered drugs
- Operational procedures for DSS/Medicaid wraparound
- DMHAS operational procedures based on new legislative authority
- Further legislative activity prior to Part D start-up



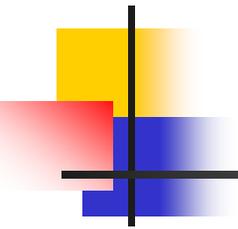
DMHAS Follow-up Activities

- Mailings to providers re new info
- Coordination w/advocacy groups
- Phase II Training Fall 05 – enrollment, formularies, DSS process
- Website resource and updates
- Dissemination of educational materials (waiting room info) provided by DSS or CMS
- Resource list for providers and consumers
- Work group with other state partners



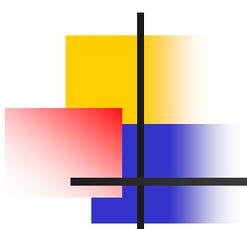
Timelines for Implementation

- May 05 – low-income notifications
- June 05 – deemed eligibility notifications
- July 05 – begin processing LIS applications
- September 05 – award PDP's
- October 05 – auto enroll dual eligibles, CMS markets PDP's to other recipients
- November – December – open enrollment
- January – Part D begins



For Questions/Assistance

- www.medicare.gov
- 1-800-MEDICARE (1-800-633-4227)
- www.medicareadvocacy.org
- www.socialsecurity.gov
- www.nmha.org/federal/MedicarePrescriptionDrugBenefit.cfm National Mental Health Association website for Part D
- CHOICES 1-800-994-9422
- ConnPACE 1-800-423-5026 toll-free
- ConnPACE (860) 832-9265 (Hartford area)



Questions and Discussion