Medicare Part D

Low Income Subsidies

Operational Issues
Low-Income Subsidies

- Federal government will subsidize low-income beneficiaries for all or part of their premiums, deductibles, and copays.
  - Dual eligibles will be automatically enrolled in LIS at same time as auto-enrollment in Drug Plan
  - SSI auto-enrolled in LIS if Medicare eligible
  - MSP eligibles will either be automatically enrolled in LIS at time of plan selection or at same time as facilitated enrollment in Drug Plan, whichever comes first
  - Others may be eligible as well
LIS & Institutionalized

- CMS includes nursing homes, ICF-MR and Residential Psychiatric Treatment as Institutions, along with others.
- Medicare consumers in institutions automatically qualify for LIS.
- Their LIS covers all Part D costs for the lowest cost plan: Premiums, deductibles, copays, coverage gap.
Enrollment

- Dual eligibles and Medicare Savings Plan beneficiaries will automatically be enrolled in one of the lowest cost plans in their region if they do not select a plan.
Enrollment

- **Group 1**: Full benefit dually eligible with incomes at or below 100% of the federal poverty level
- **Group 2**: Full-benefit dual eligibles above 100% of the federal poverty level; QMB, SLMB, QI, SSI-only, or non-dual eligible beneficiaries with incomes below 135% of the federal poverty level and limited resources ($6,000 per individual and $9,000 per married couple)
Enrollment

• Group 3: beneficiaries with incomes below 150% of the federal poverty level and limited resources.
Eligibility for Extra Help

• **Income:**
  – Below 150% of Federal Poverty Level – in 2005
    • $1,197 per month ($14,355/yr) for an individual or
    • $1,604 per month ($19,245/yr) for a married couple
    • Based on Family Size
Eligibility for Extra Help

• **Resources**
  - Up to $11,500 for an individual
  - Up to $23,000 for a married couple living together
    - Includes $1,500 for burial expenses or funeral
    - Counts savings and stocks
    - Does not count the home the individual or couple lives in
Automatic Enrollment

- If Dual Eligibles already in a Medicare Advantage Plan for physical health, they will be enrolled in a Medicare Advantage Drug Plan if one is available
- Dual eligibles can choose a plan before January – limited to one of the low cost plans
- Dual eligibles can change plans as often as once per month.
“Facilitated” Enrollment

• MSP participants & SSI+Medicare eligibles can choose a plan. If they do not choose one by May 15, 2006, they will be auto-enrolled into both a low-cost plan and the low-income subsidy.
Applying for Low-Income Subsidies

• Through federal Social Security Administration
or
  800-772-1213 or
• Local SS office NOW.
• Through state Medicaid office NOW
• www.benefitscheckup.org/rx NOW
State Assistance

- Some states/districts have a state pharmacy assistance program for low-income consumers.
- State/District Medicaid programs can choose to provide some “wraparound” benefits to the Part D benefit.
Affected Groups

- Many of those eligible for LIS may have been receiving other types of assistance with their meds, including samples and PAPs.
  - This will likely change to take advantage of Part D.
  - Medicare Part D may cost them more
  - Not clear how each state or provider will handle clients who are eligible but choose not to apply.
# Low Income Subsidy

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<tr>
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<th>Group 1</th>
<th>Group 2</th>
<th>Group 3</th>
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<tr>
<td><strong>Premium</strong></td>
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<td><strong>Deductible</strong></td>
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<td>OOP $3,600</td>
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6.5 million dual eligibles

• Have been receiving medications through Medicaid.
• Have been able in many states to get medications even if they could not pay a copay
• Have generally had access to a broad formulary or list of drugs with few restrictions or approval mechanisms
Dual Eligibles Lose Most Medicaid Prescription Benefits*

- As of January 1, 2006, dual eligibles will lose Medicaid prescription benefits*
- They will be automatically enrolled into a Drug Plan with all its rules and limitations
- May not have access to all the drugs they did before
- May have restrictions or costs associated with their drugs.
Dual Eligibles Are Vulnerable:

- Use 3X more medication $ than consumers with Medicaid alone
- Lower incomes
- Sicker (Physically & Behaviorally)
- Fewer family or other supports
- More likely to be minority, female and live in rural areas
Key Issues for Dual Eligible Plan Selection

- Are their medications (physical and behavioral) on the formulary?
- What benefit management controls does each drug plan use?
- What pharmacies does each drug plan use?
- What copays are associated with their preferred drugs?
Dual Eligibles

• Very Tight Timeline: Drug Plans Known in October, Prescription Coverage Changes January 1, 2006.
• Drug Plans required to have “transition plans” for these consumers, but they may not be sufficient. Not required to do “one-time fills” or maintain consumer on current medication.
• Consumer dually eligibles can change plans up to once per month
Medicare Savings Plan

- Can choose a Drug Plan; will automatically be enrolled in LIS at that time.
- If do not choose Drug Plan, will be enrolled in both a low-cost Drug Plan and LIS no later than May 2006.
Medicare Only

- Low Income can apply for LIS; does not commit them to choosing a Drug Plan
- If they choose to enroll in Drug Plan after May 15, 2006, premiums will be permanently higher.
- Can change plans once per year.
Issues Consumers Might Face

- Awareness that change affects them
  - Not understanding they will lose most Medicaid drug coverage January 1, 2006
  - Besieged by marketing materials from Drug Plans
  - Not getting, keeping or understanding the mail they get
  - Outreach material not understandable – language or culture or both
Issues Consumers Might Face

• Not knowing how to evaluate plans
  – Not understanding a formulary
  – Financial Issues
    • Confusion about premiums
    • Confusion about copays
    • Confusion about the Low-Income Subsidy
  – Not understanding other management tools and how they will impact them.
  – What pharmacies can they go to get their meds?
  – Does this mean they need to change doctors?
  – Signing up for Medicare Advantage along with a Part D plan
Issues Consumers Might Face

- Transitional Issues
  - Unable to access doctor or other prescriber help in a timely manner
  - Timing problems; data issues – they are not on the right list
  - Lack of bridge medications
  - Changes in pharmacies
  - Lack of coordination between the consumer’s other prescribers.
Issues Consumers Might Face

• Post-Enrollment Issues
  – Involuntary disenrollment
  – Appeals
  – Grievances
  – Continuing communication about formulary changes
  – Inpatient meds not on formulary or not affordable.
  – After year 1, all psychototropic meds not required to be on formularies.
Possible Provider Impacts: Near and Long Term

• Increased demand for physician/prescriber appointments to assist with medication transitions or appeals due to formulary limitations.

• Decreases in case management, prescriber and corresponding revenues as staff respond to transition assistance requests from consumers and provide services that cannot be billed.

• High volume of crisis calls and increased demand for emergency services related to medication compliance or medication changes.
Possible Provider Impacts: Near and Long Term

- Increased hospitalization rates for transitioning consumers, resulting in reduced productivity/billing for outpatient services and/or poor performance on any contracts with incentives for inpatient utilization.

- Reduced availability of indigent drug programs and samples as pharmaceutical companies restrict access for Medicare consumers.
Operational Issues for Providers Prior to January 1, 2006
Staged Implementation

- Educate an implementation team – determine role of provider
- Train Staff
- Analyze Plans and provide staff/consumer resources
- Identify Consumers
- Implement Consumer workplan
- Monitor transitional issues
- Implement post-January 1 workplan
Organizational Approach

- **Top Level Responsible:** appoint an implementation manager
- **Interdisciplinary Implementation Team**
  - Immediate and ongoing issues
  - Workplan
  - Identification of resources and resource needs
- **Resource Teams or Specialists:** the consultants – may be a part of the Implementation Team.
- **Library:**
  - Paper-based
  - Government produced information for consumers/providers
  - Access to web based resources: drug plan formularies; government sites.
Organizational Approach

- **Procedures & Processes:**
  - **Provider must take on:**
    - Prescriber roles: assisting in management of drugs; coordination with other providers; role in appeals.
    - Prescriber continued readiness re: changes to formularies
    - Prescriber attention to benefit management tools that affect their clients.
  - **Provider can take on:**
    - Assistance with analysis and choice of plan
    - Legal agent for client in choosing plan and/or in initiating appeals
    - Managing database of client choices
    - Assisting in communication of changes
    - Managing/tracking appeals
Organizational Roles for Prescribers/Clinical Managers

- Leadership
- Outreach priorities: which clients first
- Retooling schedules: making sure visits happen before Jan 1, 2006
- Tx Plan changes: more med education; more attention by case managers
- Educate other staff: you know medications – they don’t.
Prioritizing Most Vulnerable

- Dual Eligibles
- Hospital to Community Transitions
- Newer, brand name drugs
- Multiple previous failures on prior drugs
- Many physical health issues as well as complex psychiatric medication issues
What needs to be done now?

- Organization should supply staff with the formulary information needed in an easily accessible form so designated staff can assist clients with plan selection.
- Organization needs to know the eligibility status of each of its consumers. Look at their cards, do not assume based on current medical record information.
  - Have your consumers bring in their mail and help them to interpret it.
What needs to be done now?

- Organization needs to know the complete list of all meds (physical and psychiatric) that consumer takes – look at the bottles and transcribe for accuracy.
  - Which drugs are not covered by Part D?
  - Where does the consumer need to get these?
  - How will injectables be handled? Will the consumer purchase and bring to the clinic?
  - Complete a plan analysis form with them.
What needs to be done now?

- Once the formularies are out get priority clients an appointment with their prescriber.
- Assess need for appointment/coordination with others.
What needs to be done now?

- Information about eligibility and meds needs to be in the medical record so that all treatment team can access it.
- Assist with applications for low income subsidies as soon as possible.
- Make sure every client knows where their pharmacy is.
- Help to calm consumer fears about the change.
Cautions with Assisting

• CMS-defined allowable provider issues for enrolling consumers
• Be clear about what is billable and not
• Consistent information and processes internally
• Acting on behalf of the consumer
Operational Issues for Providers After January 1, 2006
Ongoing Issues for Prescribers

- Appeals and Grievances
- Formulary Review
- Drug Plan Changes: benefit management
- Samples and patient assistance management
- Medication Education & Management
- Practice Patterns
Other resources

- www.dia-hfd.state.ia.us
- www.txmedicarerx.org
- www.kff.org
- www.CASRA.org
- www.Nmha.org
- www.Cms.gov
- www.Medicare.gov
- www.nccbh.org