

The Impact of the Medicare Prescription Drug Benefit on State Programs

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Transition to Part D for “Duals” (Medicare and Medicaid)

- Duals = People enrolled in both Medicare and FULL MassHealth*
- **On January 1, 2006, state Medicaid programs will no longer provide prescription drug coverage to full benefit duals**
 - MassHealth will continue to cover 3 classes of “excluded drugs” (i.e. benzodiazepines and barbiturates and certain over-the-counter drugs) not covered by Medicare Part D*

*Receive state medical assistance for full benefits. Exceptions apply.

Auto-Enrollment of Duals

- CMS will enroll all duals (through random selection) into a Part D prescription drug plan (fall of 2005)
 - Coverage is effective January 1, 2006
 - Ability to select a different plan before coverage begins
 - Duals are encouraged to research and find a plan that will work best for them, however if they do not, they will be auto enrolled for January 1, 2006.
 - Duals can change plans monthly, coverage begins first of the following month
- CMS will facilitate enrollment of beneficiaries who are in MSPs (QMB, SLMB, QI) and who have not enrolled in Part D plan by May 15, 2006
 - Effective June 1, 2006

Auto-Enrollment of Duals

- Which Medicare Part D plan?
 - If enrolled in fee-for-service Medicare:
 - CMS will randomly enroll duals in a PDP available in service area
 - With a monthly premium that does not exceed the low-income subsidy amount
 - If member selects and enrolls into a plan on their own, it should be below the benchmark premium OR they will have to make up the difference
 - If enrolled in a Medicare Advantage Plan:
 - CMS will enroll in a MA-PD offered by that organization

Low-Income Subsidy

- Low-Income Subsidy Assistance
 - Available to low-income Medicare beneficiaries
 - Medicare will provide extra assistance with premium and cost sharing amounts under new drug benefit
 - Certain beneficiaries will be deemed eligible for the subsidy and will NOT have to apply
 - Others will have to meet income and asset test
 - Social Security Administration (SSA) and State Medicaid (MassHealth) will make eligibility determinations for subsidy

Part D Low-Income Subsidy

- Who's deemed eligible for Low-Income Subsidy and does NOT need to apply?
 - Full benefit dual eligibles
 - SSI recipients
 - Medicare Savings Program enrollees
 - QMB / SLMB / QI enrollees are deemed eligible for full subsidy
 - Who is eligible for Low Income Subsidy and NEEDS to apply:
 - Medicare beneficiaries who are not listed above with income below 150% FPL and meet an asset test

Applying for Low-Income Subsidy “Extra Help”

- Duals, SSI recipients and MSP enrollees
 - Do NOT have to apply; deemed eligible
 - CMS notifies beneficiaries in May, 2005 (duals and MSP) (SSI June, 2005)
- All others must submit an application to Social Security Administration or State Medicaid Office
 - SSA will begin mailing applications to those who MAY qualify at the end of May 2005
 - Beginning July 1, 2005 beneficiaries can apply for the “extra help”

Low-Income Subsidy Recipients

- **IMPORTANT REMINDER:**
Being approved for the LIS is only the first step. Beneficiaries must still enroll in a Part D plan to use the extra help.

SHINE

- SHINE counselors available statewide to help people with Medicare apply for the “Extra Help”
- In October – SHINE can help people with Medicare with Part D plan selection using a tool on the CMS website.

Massachusetts Response to Part D— Prescription Advantage “Wrap”

Governor’s, House and Senate budgets included funding for a cost sharing wrap for PA members enrolled in Part D.

- For 3,000 members without Medicare, current PA benefit will continue after January 1, 2006
- For Medicare beneficiaries:
 - PA will become a secondary payor providing financial assistance for Medicare drug coverage when Part D takes effect
 - PA will require Medicare low-income members to apply for Low-Income Subsidy
 - PA will require all Medicare members to enroll in a Part D Plan; seeking CMS authorization to auto-enroll members in Part D on a random basis
 - Cost sharing wrap still being designed; likely to be done through individual claims rather than by lump-sum payments to PDPs

Massachusetts Response to Part D— Prescription Advantage “Wrap” (Cont.)

Concerns & challenges for the “Wrap”

- How to ensure all PA members with Medicaid are enrolled effective January 1, 2006?
 - **Potential Auto-Assignment** – To ensure that all Medicare-eligible Prescription Advantage members are enrolled in a Part D drug plan by January 1, 2006, Elder Affairs has asked CMS to allow Prescription Advantage to automatically enroll its members into Part D drug plans using random assignment like that used for duals.
 - If automatic enrollment is not allowed, Prescription Advantage will provide extensive enrollment assistance to members, including analysis of their drug utilization to determine which Part D plans will be appropriate for them.
 - Even if automatic enrollment is allowed, Prescription Advantage will work with members to determine if other plans may be more suitable for them than the one to which they are automatically assigned and assist them in changing their enrollment if appropriate.

Massachusetts Response to Part D— Prescription Advantage “Wrap” (Cont.)

Concerns & challenges for the “Wrap” (cont.)

- **How to ensure all PA members who may be eligible for LIS apply for it?**
 - Part D enrollees with the full low-income subsidy will pay less than under PA and will not need assistance through the wrap, so getting them to apply for the LIS is important
 - SPAPs won't receive information about members' LIS status until at least November
- **PDP specifics will not be available until Fall 2005—how do we know what we're “wrapping around”?**
- **How do we get our members to understand Part D and the changes to PA?**


Using the SPAP Transition Grant from CMS to Help Beneficiaries and the Program Make the Transition (Cont.)

Massachusetts Plans for Education/Outreach, Assistance, Coordination

- Participant Education:
 - Build on already-established SHIP structure (Mass. SHINE Program) to educate members, their families and caregivers
 - Initial direct mailing to members
 - Educational meetings for pharmacists, physicians and other provider groups
- Assist Plan Selection and Enrollment:
 - Analyze member drug utilization to compare with plan offerings, allow customized advice in plan selection
 - Expand and train customer service staff to follow up with members on LIS applications and Plan enrollment
 - Systems enhancements to track contacts and application/ enrollment status of members
 - LIS, plan selection and follow-up direct mailings to members

Important Dates for Prescription Advantage Members

- “Something is Coming” Mailing – May 2005
 - Folder with general information about Part D, Low Income Subsidy
- “Choose it or Lose It” Mailing – October 2005
 - Information about wrap details, Pick a Plan, list of resources
- “Part D or Bust” – December 2005
 - Required to be enrolled in a Medicare Prescription Drug Benefit (PDP or MA-PD)
- “Non-Medicare Plan Change” – October/November 2005
 - Benefit change effective January 1, 2006



EHS Communications and Outreach Subgroup

- **Purpose: To coordinate outreach efforts**

- Departments Represented
 - EOHHS, Office of Medicaid
 - Elder Affairs, Prescription Advantage and SHINE
 - Centers for Medicaid and Medicare Services (CMS)
 - Social Security Administration
 - Massachusetts Rehabilitation Commission
 - Department of Mental Health
 - Department of Mental Retardation
 - Department of Public Health
 - Massachusetts Commission of the Blind



MMA Massachusetts Outreach Strategy

- Dual Eligible Beneficiaries
- Prescription Advantage Beneficiaries
- Medicare Only Beneficiaries
- Families and other caregivers
- Elder Network
- Legislature
- Case Managers
- Pharmacists and other providers
- Advocacy and other community based groups
- Media



Part D Timeline

- May, 2005
SSA begins Low Income Subsidy Mailing
CMS mails notice to LIS deemed population
- June
CMS mails notice to SSI-only individuals in the LIS deemed population
- July 1, 2005
SSA processes subsidy applications
- September, 2005
CMS approves Part D plans
- October, 2005
Dual Eligibles auto enrolled into a plan
- October 1, 2005
Part D plans begin marketing
- October 1, 2005
Info on Part D plans on medicare.gov
- Nov. 15, 2005
Initial Enrollment Period begins
- January 1, 2006
Earliest effective date for Part D plan
- May, 2006
Facilitated enrollment for MSPs who have not joined a plan
- May 15, 2006
Initial enrollment period ends