Medi-Cal and MMA – Medicare Part D (Prescription Drug) Program

(Presentation from the September 2005 Medi-Cal Now seminar)

Medicare Part D Beneficiaries

- Estimated 43 million Medicare beneficiaries will be eligible for Medicare prescription drug coverage in 2006
  - Of those, 6.8 million will qualify for both Medicare and Medicaid (aka “Dual Eligibles”)
  - Over 1 million reside in California
    - 937,000 in Medi-Cal fee-for-service
    - 137,000 in Medi-Cal managed care
    - About 68% are 65 years or older
    - About 56% of drug spending
How the MMA Impacts California’s Medi-Cal Program

- Increased annual cost
  - $54 million or more (beginning FY 06-07)
- Major change in benefits for dual eligibles on January 1, 2006
  - Potential gaps in drug coverage

FY 2005-06 BUDGET

- Budget includes funding for:
  - Clawback (CMS calls Phase Down)
  - Part D excluded drugs that are currently covered by Medi-Cal
- No funds available for any assistance in
  - Part D covered drugs
  - Co-pay assistance
  - Premium assistance for higher cost plans
Medication Therapy Management

- **Requirements:**
  - Prescription Drug Programs must provide MTM program for targeted beneficiaries (next slide)
  - May be furnished by a pharmacist or other qualified provider
  - Developed in cooperation with licensed, practicing pharmacists and physicians

Medication Therapy Management

- **Targeted beneficiaries:**
  - Multiple diseases
  - Multiple drugs
  - Incur annual costs that exceed a cost threshold of > $4,000 (likely to incur)
Medication Therapy Management

- **Examples of MTM Services**
  - Patient health status assessments
  - Medication “brown bag” reviews
  - Formulating/monitoring/adjusting prescription drug treatment plans
  - Patient education and training
  - Collaborative drug therapy management
  - Special packaging
  - Refill reminders
  - Other

Electronic Prescribing

- Medication errors reduced
- Physician and Pharmacist efficiencies realized
- Prescription automatically transmitted to pharmacy via NCPDP SCRIPT standard
- Will alert to adverse drug interactions and less costly alternatives
- Will be voluntary for doctors
- Proposed Rule 2/04/05 and pilot in 2006
MEDICARE PART B VERSUS PART D
COVERAGE ISSUES

- There WILL still be Part A and Part B drugs
- Part A drugs
  - Drugs bundled together with hospital payment
- Part B drugs
  - 1. Drugs delivered “incident to MD service”
  - 2. Drugs delivered via medical equipment
  - 3. Few outpatient Chemo and Immunosuppressive drugs
  - 4. End Stage Renal Disease (ESRD) drugs (i.e. EPO)

Medicare Part B vs. D

- One goal of Part D is to fill any gaps in existing Part B coverage of drugs.
  - PDP only Plan: Part D drug: if dispensed from the pharmacy, even if they are then brought to a physician's office for administration.
    - Part B drug: If the physician provides the drug pursuant to Part B coverage rules.
  - MA-PD Plan: Part B drug: if filled by a specialty pharmacy and ship to MD office where it is administered.
Medicare Part B vs. D

- **Who dispensed the drug?**
- **How is the drug administered?**
  - Pharmacy dispensed to a SNF for administration by SNF nurse = Part D
  - Pharmacy dispensed to physician office under CAP program = Part B
  - Pharmacy dispensed for patient self-administration = Part D
  - Physician dispensed to patient for self administration (limited number of drugs) = Part B
  (check the [Medicare Web site](#) on Part B drug coverage for the limited list of self administered drugs covered under Part B)

TRANSITIONING TO PART D...

- **Challenges in enrolling Dual Eligibles on January 1, 2006**
  - Auto-Enrollment
  - Timeframes
  - Changing Drug Coverage
  - Access
Transition Process

- Goal: ensure beneficiaries receive medications at lowest cost and meet beneficiary needs
- Transition process required by PDPs §423.100(b)(3)
  - Must provide “appropriate transition process”
  - MUST meet policy CMS Guidelines

Transition Guidance

- Transition for
  - (1) initial transfer to The Benefit
  - (2) between PDPs
- P&T committee expected to review & recommend PDP transition process
- Temporary one-time supply fills recommended
- Public Notice of Transition Process
JANUARY 1, 2006
SUNDAY

Medi-Cal will deny Medicare Part D drugs and supplies (syringes) for duals

- Claim: Reject to bill Medicare Part D
- Voice: Subscriber has Part D Medicare coverage with Health Insurance Claim (HIC) Number
- POS: Part D Medicare covered with HIC Number

Medicare Prescription Drug Coverage

- Available only by prescription
- Prescription drugs, biologicals, insulin
- Medical supplies associated with injection of insulin (INSULIN SYRINGES)
- Brand name and generic drugs will be in each formulary
Provision of Notice Regarding Formulary Changes

- Prior to removing/changing drug from formulary, Plan must:
  - Provide 60 days notice to CMS, prescribers, network pharmacies, and pharmacists
  - For affected enrollees, must provide either:
    - Direct written notice at least 60 days prior to date the change becomes effective, or
    - At the time a refill is requested, provide a 60 day supply of drug and written notice

Medicare Benefit Claims Processing

- Standard Benefit Card
- Part D Plans are required to track TrOOP costs for beneficiaries enrolled in their plan
- Pharmacies, Part D Plans, Insurers, Employers, and CMS will work together electronically to coordinate benefits
- Allows pharmacist to perform a beneficiary LOOK-UP to determine insurance coverage
- Informs the pharmacy in real time of primary and secondary payers
  - Including information to process claim
- Allows PDP the best possible chance to accurately track TrOOP costs
Part D Excluded Drugs

- Drugs for
  - Anorexia, weight loss, or weight gain
  - Fertility (non Medi-Cal benefits)
  - Cosmetic purposes or hair growth (non Medi-Cal benefit)
  - Symptomatic relief of cough and colds

- Prescription vitamins and mineral products (most are non-Medi-Cal benefit)
  - Medicare Part D plans must cover prenatal vitamins and fluoride preparations.

- Non-prescription drugs
- Barbiturates
- Benzodiazepines

Medicaid California

- Medicaid may still cover drugs not covered by PDP
  - **California (Medi-Cal)** FY 05-06 budget includes funding to cover the drugs that are excluded from Part D, but are currently covered by Medi-Cal.

- Medicaid may choose to wrap around Part D (without FFP)
  - **California (Medi-Cal)** does not plan to do this.
  - No drug rebates
Medi-Cal System

- Deny those prescription drugs, biological products, insulin, medical supplies associated with the injection of insulin (e.g. syringes, needles, alcohol swabs and gauze) and smoking cessation agents as described in Title 18, section 1927(k) of the Social Security Act.
  - No Federal Financial Participation (FFP)
- TAR or Continuing Care will NOT override a Part D drug
- How do we know?
  - Exchange of eligibility files with CMS
  - Medicare Indicator which identifies Part D Drug Coverage eligible

Medi-Cal System

- No retro coverage
- Excluded drugs will follow the same rules (TAR, Code 1, etc.) as today.
- Dual eligibles will have the same coverage of the excluded drugs as a Medi-Cal only beneficiary (comparability).
Multi Ingredient (Compound) Drug Products

- If any ingredient in the compound drug claim is a Part-D drug the claim will be denied.
- If an excluded drug is contained in a combination product with another Part D covered drug the drug product is covered by Part D.
- Commercially available combination prescription drug products, that contain at least one component that is a Part D drug and at least one component that is not a Part D drug, are Part D drugs when used for a "medically accepted" indication.

MEDICARE PART B OR D and Medi-Cal COVERAGE ISSUES

- Medi-Cal is the last payer, always bill Medicare (B or D) first.
- Part D: OTC for step therapy
  - We will audit
- Part B: Test strips and lancets, which are covered under Part B, cannot be covered under Part D
Budget Trailer Bill Language related to MMA

- Emergency one-time fill
  - Only if Legislature makes specific appropriation
    - 100 percent general funding
  - Full-benefit dual eligible beneficiary
  - No greater than a 60-day supply
  - 2006 only
  - A mere statement that an emergency existed is not sufficient. It must be comprehensive enough to support a finding that an emergency existed. Such statement shall be signed by a physician, podiatrist, dentist, or pharmacist who had direct knowledge of the emergency described in this statement.

Dual Eligibles

- Full-benefit dual eligibles will pay no premiums and pay only nominal copays ($1.00 – $5.00) for their prescription drugs.

- At this time there is no legislation or funding to pay Part D Co-Pays
  - 100 percent general fund dollars
Waiving of Co-Payments

- Pharmacies may routinely waive or reduce cost-sharing amounts provided they do so in an unadvertised manner
- After determining beneficiary is financially needy, or after failing to collect the cost-sharing portion, co-pay may be waived

CA State Pharmaceutical Assistance Program (SPAP)

- Genetically Handicapped Persons Program (GHPP)
  - Conducting cost & time analysis
- AIDS Drug Assistance Program (ADAP) - NOT SPAP
- Family Planning, Access, Care and Treatment (Family PACT) - NOT SPAP
Pharmacist and TrOOP

- **Disagreement of TrOOP at Pharmacy?**
  - Beneficiary must either pay or decline purchase
  - Until after the dispute with PDP and patient resolved

- **At Pharmacy**
  - PDP’s current information will always be basis for payment

- **Fluctuations in TrOOP**
  - Possibly due to failure of picking up Rx or corrected Rx
  - Will update as Rx data is entered

- **Non-formulary products do not count towards TrOOP**

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Pharmacist and TrOOP

- The secondary payers will provide eligibility data to CMS.
  - A unique BIN/PCN is expected on the submission to CMS.

- CMS gathers the information at a beneficiary level and sends to the PDP/MA-PD.
  - PDP/MA-PD has secondary payers on their Eligibility file.

- Pharmacy submits the claim, the PDP responds on payable claims with the BIN/PCN information for any other payers in the free text message field so the pharmacy knows where to send the claim next.
TRANSITION from Medi-Cal to Medicare Part D (via PDPs)

- State of CA has a TEAM working on MMA
  - Department of Health Services – Lead Role
- Cooperation with CMS and all other interested parties, including PDP/MA-PDs, CPhA and others
- Working with 3rd parties to help providers (and beneficiaries) identify appropriate plans and available options
- Exchange of claims history, if possible

For more information

Providers:
- [www.cms.hhs.gov/medicarereform/pharmacy](http://www.cms.hhs.gov/medicarereform/pharmacy)
- Medi-Cal Provider Bulletins
- [www.medi-cal.ca.gov](http://www.medi-cal.ca.gov)
- [www.dhs.ca.gov/mcs/mcpd/mbb/contracting](http://www.dhs.ca.gov/mcs/mcpd/mbb/contracting)
- Phone Support: 1-800-541-5555 (Refer to EDS Pharmacist if needed)
- probinso@dhs.ca.gov
For More Information

Consumers:
- 1-800-MEDICARE (Consumers)
- www.medicare.gov
- www.ssa.gov
- www.calmedicare.org