

INFORMATION.....community options program

from the Bureau of Aging and Long Term Care Resources

MEDICARE PART D As it affects Medicaid Waiver Participants

The Medicare Part D drug benefit goes into effect on January 1, 2006. Medicaid prescription drug coverage for Medicare eligible individuals who are also eligible for Medicaid will cease. The one exception is that the state budget assumes continued Medicaid coverage for two classes of drugs not covered by Part D, barbiturates and benzodiazepines.

The Centers for Medicare and Medicaid Services (CMS) will begin sending letters to affected individuals in June 2005.

It is important for care managers to understand how Part D of Medicare may impact their client population so there will be no gap in coverage of prescription drugs once Part D goes into effect. This bulletin offers care managers the necessary information to assist affected Medicaid Waiver participants.

1. What is Medicare Part D?

Medicare Part D is a new benefit that will go into effect January 1, 2006. The benefit will provide Medicare beneficiaries some assistance paying for prescription drugs. Medicare Part D is not part of the traditional Medicare program. Medicare Part D will be offered through private insurance plans that contract with Medicare. Several drug plans are expected to offer Part D in Wisconsin.

2. Which Medicaid Waiver participants will be affected by Medicare Part D?

<i>Affected</i> Waiver participants	<i>Not Affected</i> Waiver participants
<p>1) Waiver participants who are entitled to Medicare benefits under Part A, <u>or</u></p> <p>2) Waiver participants who are enrolled in Medicare Part B</p> <p>are considered “dually eligible” (i.e., they are eligible for Medicare and Medicaid). These participants will be affected by Medicare Part D.</p>	<p>Medicaid Waiver participants who are not entitled to Medicare benefits under Part A or who are not enrolled in Medicare Part B, will not be affected by Medicare Part D.</p> <p>This includes SSI Waiver participants who are not entitled to Medicare benefits under Part A or who are not enrolled in Medicare Part B.</p>

3. How will dually eligible Medicaid Waiver participants be affected by Medicare Part D?

Effective January 1st, 2006, Medicaid prescription drug coverage for dually eligible Waiver participants will cease. Medicaid is expected to provide drug coverage for two categories of drugs not covered by Part D, barbiturates and benzodiazepines. Therefore it is of the utmost importance to ensure that dually eligible Waiver participants are enrolled in a Medicare Part D Plan before Medicaid prescription drug coverage ends. Also, see answer to question # 8 to learn how Waiver participants in Group A, Group B and Group C will be affected.

4. How can care managers help?

Dually eligible individuals will receive two letters from the Centers for Medicare and Medicaid Services in 2005.

The initial letter from CMS will be sent sometime in **June 2005**. The letter will notify dually eligible individuals that they automatically qualify for the low-income subsidy and do not need to apply for it. The letter will also tell them that Medicaid prescription drug coverage ends 12/31/05. A copy of the letter that CMS will forward to “dually eligible” individuals is attached.

By **June 30, 2005**, care managers should ensure that all dually eligible Medicaid Waiver participants on their case load have received this letter from CMS. Any dually eligible Medicaid Waiver participant who has not received this letter from CMS should contact one of the entities listed under Question # 6 for assistance.

The second letter from CMS will be sent sometime in October 2005. The letter will explain how to choose a Part D plan. In this letter, CMS will also identify the plan in which dually eligible individuals will be automatically enrolled, effective January 1, 2006, provided they do not choose a different plan on their own by December 31, 2005. The letter will also explain how to choose a Part D Plan. (see question # 5 about points dually eligible Medicaid Waiver participants should consider when choosing a Part D Plan.)

The letter will also remind these beneficiaries that they can change their Part D Plan effective the first day of any subsequent month. (Note: if a dually eligible Waiver participant has not received a letter from CMS, it may mean that CMS does not have information about the individual and therefore there will be no automatic enrollment.)

By **October 31st, 2005**, care managers should advise any dually eligible Waiver participant who has not received a letter from CMS notifying them of their automatic enrollment in a Part D Plan, to contact the benefit specialist in their county (if they are age 60 or older), or the Wisconsin Coalition for Advocacy if they are under age 60 (see question # 6 for phone numbers).

By **November 30th, 2005**, care managers should inquire as to whether any dually

eligible Waiver participant needs help to make a decision about which Part D Plan they prefer - the one in which they are auto-enrolled, or another Plan – and if they need help making this selection. (See question # 5.) If they are satisfied with the Plan in which they are auto-enrolled, no action is needed.

Note: In no case should dually eligible Medicaid Waiver participants affirmatively decline Part D coverage, or they will risk having no prescription drug coverage effective 1/1/06.

5. What issues should dually eligible Medicaid Waiver participants consider when initially choosing or when switching a Medicare Part D Plan?

Because a Medicare Part D Plan does not necessarily offer the same prescription drug coverage that was available under Medicaid, it will be extremely important for dually eligible Medicaid Waiver participants to compare Part D plans before enrolling in a plan or changing to a different plan. The following list, which is not all inclusive, offers some important points to consider when choosing a Part D Plan:

- Compare current prescription drug(s) needs against the formulary of the particular Part D Plan.
- Compare strength and dosages offered for specific drugs.
- Find out the number of days covered in each prescription (30, 60 or 90 days).
- Find out which pharmacies are included in the network, including the name of the pharmacy used by the local nursing home in case the individual is in need of temporary institutionalization.
- Find out if mail order is allowed or required.
- Find out if the plan requires step therapy (this is a requirement that the individual try a particular medication(s) before that prescribed by the physician).
- Does the plan offer therapeutic substitutions?
- Are there quantity limitations on the number of prescriptions in a month, or in the number of pills in a prescription?
- Is the entity sponsoring the Plan reliable, i.e., has the entity successfully operated in the community for some time?
- Are there any prior authorization requirements?
- What “transition” process will be used by the Part D Plan to cover temporary use of a medicine not covered by the plan?
- What “Appeal” or “Exceptions” process must a beneficiary follow if the beneficiary’s medicine is not covered by the plan?
- Does the premium subsidy that dually eligible individuals are entitled to cover the full premium, or, if the individual chooses a more expensive Part D plan, how much premium will the individual have to pay? (See also question # 7, Premium).
- Compare co-payment requirements, e.g., tiered formularies, preferred drugs.

6. How can a dually eligible Medicaid Waiver participant compare benefits between various Medicare Part D Plans to choose the best option?

CMS will provide web based comparative information about Part D plans at <http://www.medicare.gov/> sometime around October 15, 2005.

Dually eligible Waiver participants who need assistance in comparing Medicare Part D Plans may contact any of the following:

- a) If they are 60 or older, they should contact their county’s Benefit Specialist.
- b) If they are under 60, they should contact the Wisconsin Coalition for Advocacy and ask for the “Drug Benefit Helpline” - Phone: 1-800-926-4862.
- c) Prescription Drug Helpline for Medicare Beneficiaries of Wisconsin: 1 866 456 8211
- d) 1 800 MEDICAR(E) - 1 800 633 4227

7. Are there costs involved with enrollment in Part D of Medicare?

The following table illustrates Medicare Part D costs for dually eligible Waiver participants based on 2005 figures. The income limits will be slightly higher in 2006. Out-of-pocket costs will increase yearly beginning in 2007.

Component	2005 Low-Income Benefit if Enrolled in Medicaid ¹	
	Annual Income <i>below</i> \$9,570 (individual) or \$12,830 (couple)	Annual Income <i>above</i> \$ 9,570 (individual) or \$12,830 (couple)
Premium	None (unless the individual chooses a higher premium Part D Plan)	None (unless the individual chooses a higher premium Part D Plan)
Deductible	None	None
Copayment	\$ 1 / generic; \$ 3 / brand name	\$ 2 / generic; \$ 5 / brand name
Coverage Gap (“Doughnut Hole”) when there is no coverage	No gap in coverage	No gap in coverage
Catastrophic coverage	After total 2006 prescription medicine expenses (what the individual would pay without the low income subsidy plus what Medicare Part D pays) reach \$5,100, there is no cost for prescription medicine for the rest of the year.	After total 2006 prescription medicine expenses (what the individual would pay without the low income subsidy plus what Medicare Part D pays) reach \$5,100, there is no cost for prescription medicine for the rest of the year.

¹ During a nursing home stay that lasts 30 days or more, there will be no co-payments for prescription medicines covered under Part D of Medicare, provided the pharmacy dispensing medicines to the nursing home is part of the Part D Plan’s Network. For nursing home stays of 30 days or less, copayments for prescription medicines will be as listed above, unless the Nursing Home stay is covered by Part A of Medicare.

8. There are three financial eligibility categories of Medicaid Waiver participants. Please explain how dually eligibles in each financial eligibility category will be affected.

GROUP A: Enrollment in Part D of Medicare will not affect Group A individuals, since they have no cost-share.

GROUP B: Enrollment in Part D of Medicare may affect Group B cost-shares. Any out of pocket expenses incurred by a Group B individual, such as co-payments, can be deducted from income to reduce the cost-share. Also, if a Group B individual chooses a higher cost Part D Plan, and has to pay the difference in premium, this difference in premium can be deducted from income to reduce the cost-share.

GROUP C: To be found eligible, Group C Medicaid Waiver participants must have enough medically related expenses to reduce their monthly income to \$591.67. In most cases, Group C individuals meet eligibility because they have a combination of out of pocket expenses, COP services (except for room and board) and waiver services that together serve to reduce their income to \$591.67.

Some Group C participants do not have enough of these expenses to reduce their income to the necessary level. In these cases, care managers must also consider Medicaid card services needed by the person, including prescription drugs covered by Medicaid. However, **effective January 1, 2006, when Part D of Medicare goes into effect, prescription drugs for individuals enrolled in Part D of Medicare will be covered under Medicare, and not Medicaid, with the exception of barbiturates and benzodiazepines. Therefore, prescription drugs covered by Medicare Part D cannot be used to reduce income for Group C Medicaid Waiver participants.** However, care managers can still count other services covered under Medicaid.

As of December 31, 2004, there were approximately 361 Group C Waiver participants. Of these, there may be some whose Medicaid waiver eligibility will be affected because prescription drug costs covered by Medicaid can no longer be counted to reduce their income to \$591.67 (meet their spenddown).

Care managers should determine no later than September 30, 2005, which Group C individuals are currently using prescription drug costs covered by Medicaid to meet their spenddown, as their eligibility will be affected in January 2006, unless they have additional allowable medically related expenses to meet their spenddown.

These individuals should be notified in writing that if they no longer have enough Medicaid card coverable services and/or other medically related expenses to reduce income to \$591.67, they may lose Medicaid Waiver eligibility when Medicare Part D takes effect in January 2006. As always, individuals who lose Medicaid Waiver eligibility should be screened by Economic Support Agencies for other Medicaid subprograms.

9. Who should dually eligible Medicaid Waiver participants call to report suspicious ads or calls offering free Medicare benefits or charges to help with enrollment?

Waiver participants should contact the Medicare Integrity Project at: 1 – 800 – 488 – 2596 (see also <http://WisMedRx.org> - available in July 2005).

The preceding questions and answers address the most important points relating to Medicaid Waiver participants and Medicare Part D.

There are many additional aspects to the Medicare Part D law that do not impact eligible Medicaid Waiver participants. To learn more about those aspects, visit one of the following websites:

<http://www.medicare.gov/>
<http://www.kaisernetwork.org/>
<http://www.ssa.org/>

Attachment:

CMS sample letter which will be sent to dually eligibles in Wisconsin in June 2005.