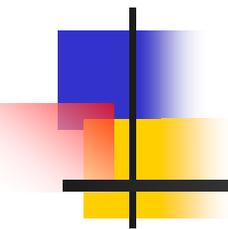


MEDICARE PART D

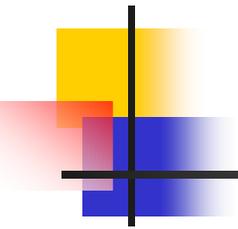


September 20, 2005

Michael P. Starkowski,

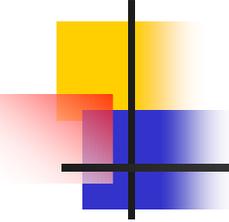
Deputy Commissioner

Department of Social Services



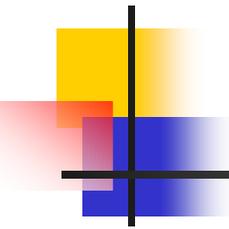
Presentation Goals

- CMS-Medicare & Medicaid
- Provide and overview of Medicare Part D
- Outreach, Education & Resources



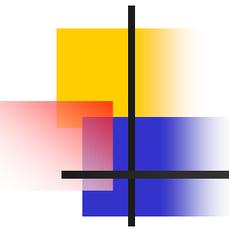
Centers for Medicare and Medicaid Services (CMS)

- US Department of Health and Human Services
- Administers the Medicare, Medicaid, and SCHIP programs
- Operates on a budget of more than \$500 billion per year
- Conducts research
- Assesses quality



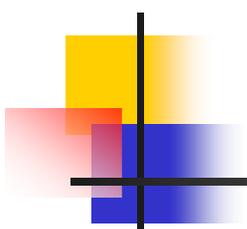
Medicare

- Federal Health Insurance Program for:
 - 65 and older
 - Disabled
 - End Stage Renal Disease (ESRD)
- Provides hospital, doctor and other medical care
- There are 43 million Medicare beneficiaries
- Supported through federal dollars and beneficiary payments



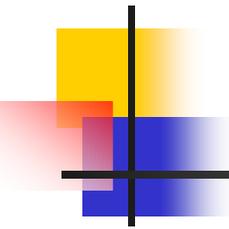
Medicaid

- Joint State and Federal partnership that provides health insurance for:
 - Low income children and families
 - Low income elderly and disabled
 - Low income Medicare beneficiaries needing coverage beyond Medicare
- There are roughly 46 million people covered by Medicaid
- Funded through federal dollars, state dollars and, in some situations, client payments



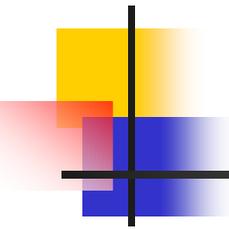
Medicare Modernization ACT (MMA)

- In December of 2003 the President signed the Medicare Modernization Act (MMA)
- The MMA makes numerous improvements to Medicare and establishes for the first time, a prescription drug benefit for all Medicare enrollees
- MMA will have a significant impact on States



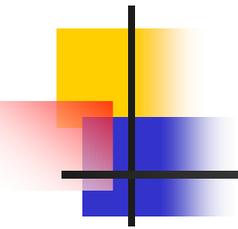
MMA Impact on States

- Offers Rx coverage to Medicare beneficiaries with extra help for those with low income
- Transitions dual eligible beneficiaries from the State Medicaid program to Medicare with no gap in coverage
- Requires States to help continue to pay a portion of the cost of prescription drug benefits for dual eligible beneficiaries



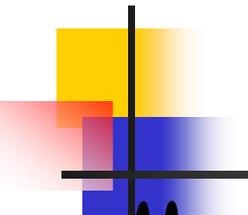
State Budgetary Impact

- **CMS estimates MMA will save States \$73 billion from CY 2006 to CY 2010. Savings achieved by:**
 - Replacing Rx coverage for Full Benefit Dual Eligible (FBDE) beneficiaries that would otherwise be paid by Medicaid
 - Reducing costs to States providing Rx coverage to retirees by way of the Retiree Subsidy
 - Providing savings to State Pharmaceutical Assistance Programs (SPAP) & Pharmacy Plus where Medicare displaces a portion of spending



About the Medicare Prescription Drug Benefit

- For the first time, Medicare will pay for prescription drugs for 43 million seniors
 - Entitles **ALL** seniors to substantial help in paying for Rx costs
 - Provides extra help for low income seniors
 - Program is voluntary
 - Takes effect January 1, 2006
 - Seniors can enroll in prescription drug plans (PDP) or Medicare Advantage (MA) plans which offer both Rx and health coverage



Medicare Part D

- Medicare Part D begins January 1, 2006
- Center for Medicare & Medicaid Services (CMS) will contract with entities (PDP) to offer pharmacy coverage
- Complete an application to Social Security Administration (SSA) if you think you are eligible for additional help with the premiums, copays and the deductible
- Enrollment in CMS approved PDP is required

MEDICARE PART D ELIGIBILITY ^[1]

MEDICARE –PART D ANNUAL INCOME REQUIREMENTS	ASSETS	PREMIUM	DEDUCTIBLE	CO-PAYMENT* (TrOOP ≤\$3,600)	CO-PAYMENT* (TrOOP >\$3,600)
Medicare Savings Group (<i>QMB, SLMB, QI</i>) Less Than 135% FPL: Single - \$12,920	None	None	None	\$2.00 (generic) \$5.00 (brand)	None
Less Than 135% FPL: Single - \$12,920 Couple - \$17,321	S: ≤ \$6,000 C: ≤ \$9,000	None	None	\$2.00 (generic) \$5.00 (brand)	None
Less Than 135% FPL: Single - \$12,920 Couple - \$17,321	S: \$6,001 – 10,000 C: \$9,001 – 20,000	None	\$50	The lesser of: A. 15% of Rx cost B. \$16.25/prescription	\$2.00 (generic) \$5.00 (brand)
Between 135-150% FPL: Single - \$12,920 - \$14,355 Couple - \$17,321 - \$19,245	S: ≤ \$10,000 C: ≤ \$20,000	Sliding Scale Fee	\$50	The lesser of: A. 15% of Rx cost B. \$16.25/prescription	\$2.00 (generic) \$5.00 (brand)
Greater Than 150% FPL: Single - \$14,356 Couple - \$19,246	S: ≤ \$10,000 C: ≤ \$20,000	\$35	\$250	The lesser of: A. 15% of Rx cost B. \$16.25/prescription	The greater of: A. 5% of Rx B. \$2.00 (generic) \$5.00 (brand)

[1] The ConnPACE Income Limits for 2005 are as follows: **Single** - \$21,400; **Couple** - \$28,900

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
(Infusion therapy, Intravenous drip)

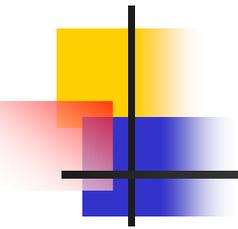
What Drugs Will Medicare Part D Not Cover?



Non-Covered:

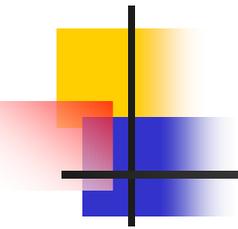
- OTC's*
- Weight loss
- Fertility
- Cosmetic
- Certain symptomatic relief of cough & colds*
- Prescription Vitamins
- Barbiturates*
- Benzodiazepines*

* May be covered under Medicaid and ConnPACE to the extent they are currently covered



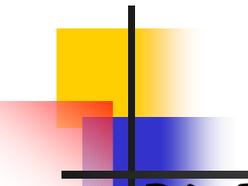
CT Medicare Beneficiaries

- Of the 43 million Medicare beneficiaries nationwide, Connecticut has over 535,000 Medicare beneficiaries
 - Of this number about 62,000 are on Medicaid and will receive additional help
 - Of this number about 48,000 are on ConnPACE and will receive additional help
 - Of this number about 425,000 additional people in Ct. would be eligible for the Part D benefit, if they want it
 - Of the 425,000, some people may be eligible for more help in paying premiums, co-pays & deductibles



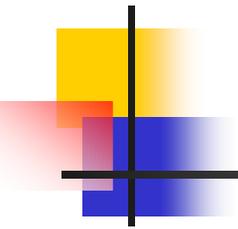
Medicare Part D

- Income and Asset levels determine co-pay, deductible, premium levels, and out-of-pocket limitations
- If income is less than \$14,355 (single)/\$19,245 (couple), client may be eligible for financial assistance towards drug plan from Social Security
- If the client thinks they might be eligible for SSA financial assistance:
 - They must apply and be determined eligible by SSA for extra help
 - They must select and enroll in a PDP
- ConnPACE will work with SSA to help them identify individuals eligible for extra help.
- If the client is on Medicare & Medicaid, don't worry, CMS will automatically enroll them in a prescription drug plan, if they don't choose on their own



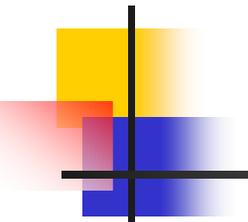
Medicare Part D

- PDPs will contract with pharmacies and mail order companies and offer various types of coverage-(to be announced this week)
- Based on income, client may have rec'd a letter with an application from SSA - it is important that client fill out the information requested on the form
- SSA will determine if the client is eligible to receive additional extra help
- SSA and CMS will be providing information and notification to Medicare recipients



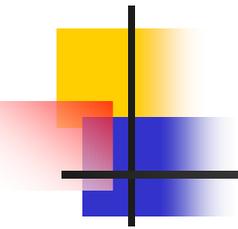
How Does The Extra Help & Application Process Work

- Clients can apply anytime between July 1, 2005 through May 15, 2006
- Clients can apply at the local Social security office.
- Clients can apply on line at www.ssa.gov or www.socialsecurity.gov
- Clients can apply by phone at (1-800-772-1213)
- Clients can call our CHOICES program for help with their application at 1-800-994-9422
- Clients can call their local Area on Aging Agency (AAA)
- No financial documents will be necessary at the time of application. SSA will verify most through data matches.



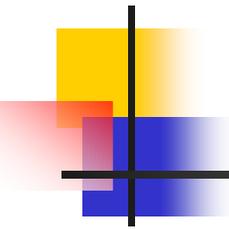
Medicare Part D

- Regardless if client is approved for extra help or not, if they want to participate, they must enroll with a PDP directly
- Client has the option of selecting a PDP annually
- Client can only change PDPs/plans at open enrollment
- If client also gets Medicaid, they will have flexibility to change PDP at any time
- The level of additional financial help from SSA may differ depending on their income and assets



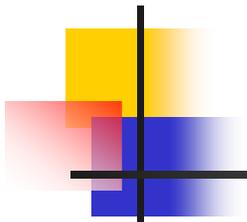
Standard Drug Benefit

- The standard Part D benefit will have:
 - A \$250 annual deductible
 - An est. \$32 monthly premium (\$384 annually)
 - Between \$250-\$2,250 in total drug spending, an initial coverage stage where Part D pays 75% of the drug costs and the beneficiary pays 25%
 - Between \$2,250-\$5,100, a gap in coverage called the “donut hole” where Part D pays nothing and the beneficiary pays 100%
 - From \$5,100 on up, a catastrophic coverage stage where Part D pays 95% of drug costs for the rest of the calendar year and the beneficiary pays 5%



Medicare Part D-Benefits

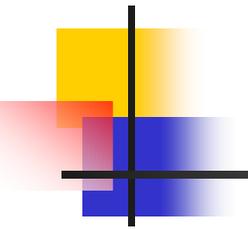
- Groups in between the standard benefit and full benefit coverage will have some deductible, plus premium and co-pay requirements
- Medicare Part D will help lower out-of-pocket prescription drug costs
- In general, if they have \$670 or more in prescription drug costs a year, even if they don't get extra financial help from SSA, it is worth enrolling
- In general, if they get financial help from SSA, like premium assistance or a reduced deductible, even if they spend less than \$670, it is worth enrolling



Out-of-Pocket Expenses

- Before client is eligible for catastrophic coverage (95% paid) they must have \$3,600 of out of pocket expenses
- In the standard benefit, true out-of-pocket consists of three pieces that the client (or the state on your behalf) is responsible for paying.
 - The deductible (normally \$250)
 - The 25% coinsurance requirement
 - The coverage gap (\$2,850 in 2006)

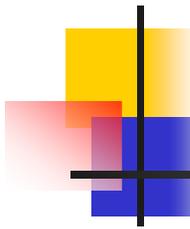
For Calendar Year 2006, the total out-of-pocket is capped at \$3,600



Out-of-Pocket Expenses

The Part D premium is not considered part of your \$3,600 expense

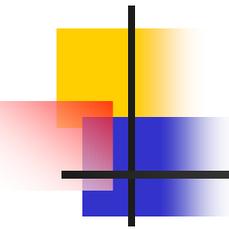
- Catastrophic coverage (where Medicare pays 95% of the cost of the drug) begins when the client satisfies the \$3,600 out-of-pocket requirement
- They cannot meet the out-of-pocket requirement unless aggregate of \$5,100 in Rx expenses



Medicare Part D - Formulary

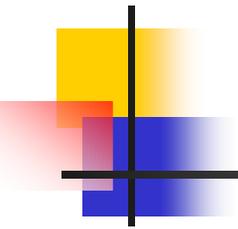
Six classes of drugs with CMS special PDP requirements:

1. **Anticonvulsants**- drugs used for treatment of epilepsy (e.g. Neurontin)
2. **Antiretrovirals**- drugs used to treat HIV infection (e.g. Videx)
3. **Immunosuppressants**- drugs used to treat abnormal or excessive immune response and rheumatoid arthritis (e.g. Imuran)
4. **Antineoplastics**- drugs used to treat leukemia and malignant diseases (e.g. Cytosan)
5. **Antidepressants**- drugs used to treat depression, panic disorder (e.g. Prozac)
6. **Antipsychotics**- drugs used to treat bipolar disorder and schizophrenia (e.g. Zyprexa)



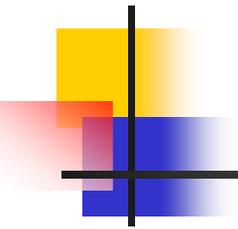
Other Considerations

- For ConnPACE, it is important to know that the State will need to collect general asset information under ConnPACE to assist in determining federal benefit levels and ensure that appropriate subsidies are provided to recipient under Part D
- Asset information will have no impact on ConnPACE eligibility determination - it is simply used to ensure that those entitled to receive the federal subsidy apply for it



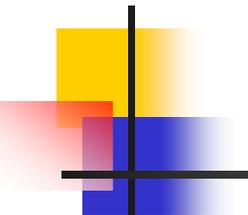
Grievances, Coverage Determinations and Appeals

- Each Part D plan sponsor, for each plan offered, must establish & maintain:
 - Grievance procedures to address issues that do not involve coverage determinations
 - A procedure for making timely coverage determinations and expedited coverage determinations
 - An appeal process that involves coverage determinations when someone is dissatisfied with any part of the coverage determination
- More information on these processes will be available



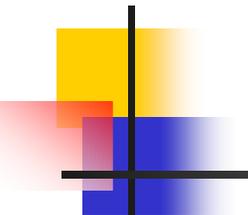
Medicare Part D - Duals

- If the client are also on Medicaid, the premiums are fully paid by the federal government
- If the client is also on Medicaid, they will be responsible for a co-pay of \$1/\$2 for generic/preferred formulary drugs or \$3/\$5 for non-preferred formulary drugs
- If the client is in a nursing home and on Medicaid, they will not pay premiums, deductibles or co-pays



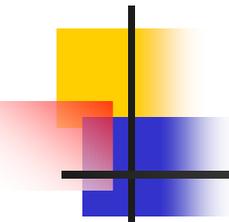
Connecticut's Program

- State will provide coverage of non-covered Medicare Part D drugs following current program policies (e.g., preferred drug list, prior authorization)
- State will not provide coverage for drugs that are purchased outside of the formulary of the selected PDP
- State will provide coverage during the 'donut hole' in accordance with formulary and covered drug requirements of the selected PDP
- For ConnPACE recipients, co-pays will not exceed the current \$16.25 co-pay requirement; depending on a client's income and asset levels and/or the cost of the drug, an enrollee may pay less than the traditional ConnPACE co-pay (\$16.25)



Connecticut's Program

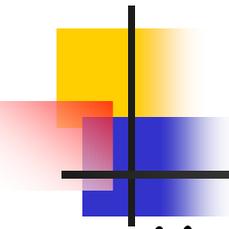
- Enrollment in Part D is a condition of ConnPACE eligibility
- With mandated enrollment for the ConnPACE recipient, the state covers all premiums
- For ConnPACE beneficiaries determined eligible for the low income subsidy:
 - Rx benefits will be provided through Medicare Part D
 - Co-pays will not exceed the current ConnPACE co-pay of \$16.25 for Medicare Part D covered drugs
 - In some instances, co-pays may be less than \$16.25
 - ConnPACE will provide coverage for non-covered Medicare Part D drugs (within current program policy)
 - State will **not** provide coverage for drugs that are purchased outside of the formulary for the selected PDP
 - State will provide coverage during the 'donut hole' following formulary and covered drug requirements of selected PDP, with co-pays not exceeding the current \$16.25



Outreach Activities

Beneficiary Outreach -Mailings

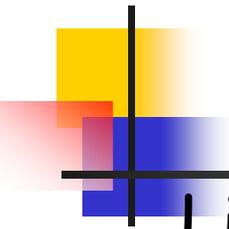
- General Mailing- DSS has sent (June '05) ConnPACE beneficiaries, MSP recipients and Medicare/Medicaid dual eligible an initial letter introducing important facts on the new Medicare Part D program. (Two additional "reminder" mailings planned between now and end of year.)
- ConnPACE Mailing -DSS recently sent (August '05) a targeted mailing to ConnPACE members < 150%FPL that will instruct them to apply for the LIS as a condition of their ConnPACE eligibility
- Brochures -DSS is developing population-specific brochures for the following groups:
 - ConnPACE and the Medicare Savings Program
 - ConnPACE members > 150% FPL
 - General ConnPACE/Medicare Part D program brochure



Outreach Activities

Medicare D Eligibility/Enrollment Bus:

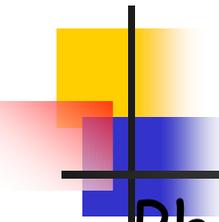
- Scheduled stops at Senior Centers, Community Centers, Assisted Living sites, Residential Care homes, Adult Day Care Sites, other appropriate sites
- Advance notice of scheduled stops throughout CT
- Technologically Sophisticated Equipment for Processing
- DSS eligibility staff to determine Part D eligibility/other DSS programs
- EDS staff to review for eligibility for ConnPACE program
- General information available on other programs for elderly/disabled individuals (ex. Food stamps, Energy Assistance, Meals on Wheels...)
- Pharmacist to assist with formulary/drug concerns
- General internet access to assist those ineligible for services with locating potential manufacturer program for assistance
- CHOICES counselors to assist clients with application for Extra Help and enroll beneficiaries in PDPs



Outreach Activities

Live Town Meeting Broadcast on TV:

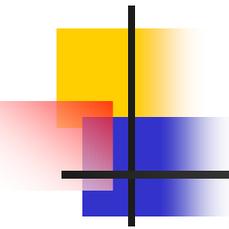
- Partnering on a multimedia campaign to inform & educate on Medicare Part D
- Televised "Town Meeting"
- Questions from "man on the street", questions through email, questions through live phone in, questions from audience
- Expert panel consisting of DSS staff, CHOICES staff, pharmacists, doctor, CMS representative
- Live participatory audience with seniors, senior group representatives such as Sr. Center directors, AARP, United Seniors in Action, LTC Administrators, CAA staff, doctors, VNA representatives, Assisted Living Directors, Residential Care Homes, Group Home Administrators, Hospital Administrators...and more
- Production of DVD -vignettes on issues/question and responses for distribution to community centers and senior centers
- Production of DVD -vignettes on issues/question and responses for distribution to mass media TV and radio
- Cross-promotional opportunities with Connecticut radio stations, public radio/public TV, local cable access stations



Outreach Activities

Pharmacist Assistance:

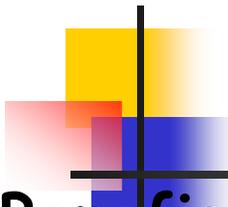
- Clients will be sent vouchers for Pharmacist assistance in the selection of the appropriate PDP
- Pharmacist review of existing RX regimen for duals & ConnPACE recipients
- Pharmacist will provide recommendation of PDP(s) which cover the existing or majority of their drug regimen under their existing formulary
- Clients will be instructed to choose one of the recommended PDP's and advise of financial implications if they choose alternative PDP
- Vouchers for clients to receive review & recommendation at the pharmacy of their choice
- Panel of pharmacists to review drug regimen through download of claims data for LTC clients, group homes, residential care homes, etc.
- For clients who do not choose a PDP, but are subject to auto-enrollment, the Department will make the auto-enrollment assignment based on the recommendation of a pharmacist



Outreach Activities

■ Marketing

- Contract with Experienced advertising firm
 - Enhance DSS website for accessing Part D info
 - Dynamic enhancement to state sites including State Portal, Governor's Site, DSS, Other State Agencies
 - Establish hyperlinks to other pertinent websites
 - Develop web tools for accessing info, reviewing eligibility criteria, selecting appropriate PDP
 - Recommend/design marketing items
 - Bookmarks, refrigerator magnets, sr pillboxes...
 - Tailored outreach posters
 - Tailored advertising campaign for Ct
 - Co brand Federal advertising
 - Targeted advertising for
 - Direct mailings, Piggy-back mailings (energy, etc.)
 - Pharmacies, Medical Offices, Hospitals, Clinics
 - Community, Senior, faith based centers
 - Supermarkets, mall stores, bakeries
 - Other Recommended Sites



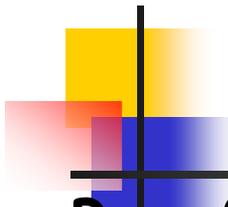
Educational Activities

Beneficiary Education: CHOICES educates beneficiaries & small community agencies that work with Medicare seniors & persons with disabilities.

- **Presentations:** Five regional SHIP agencies (CHOICES regions) conduct an average of 66 presentations each month for beneficiaries, caregivers, and community agencies people with disabilities.

Presentation sites include:

- Senior centers, congregate housing, assisted living centers and residential care home providers
- Hospitals, wellness clinics & pharmacies
- Community organizations including CAA's, community centers, other human service providers and faith-based organizations
- Libraries
- Mobile home communities
- Municipal agents & town social workers
- Country fairs
- Etc! Etc! Etc!



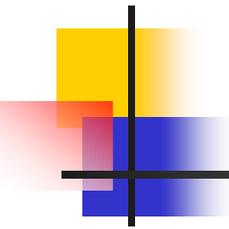
Educational Activities

■ **Beneficiary Literature:** 7 CHOICES Q & A Guides

- Information to targeted Medicare populations:
 - General Information
 - Extra Help
 - Duals
 - ConnPACE
 - Retirees with Existing Insurance
 - Medicare Savings Programs (QMB, SLMB)
 - Medicare Buy-In beneficiaries (employed disabled)
- All available in paper and on-line through CMA, CHOICES and DSS websites. Also available in Spanish, large print and other alternative formats

■ **Special materials:**

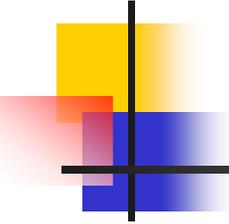
- "Desk guide" for state legislators
- Leaflets to all Meals-on-Wheels recipients
- Leaflets to energy assistance applicants



Educational Activities

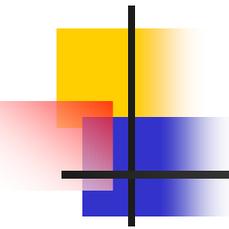
Major CHOICES Partnerships - CHOICES (housed within DSS's Aging Services Division) has 2 major partnerships. These are: the **Center for Medicare Advocacy (CMA)** and the **DSS Pharmacy Division** (which also manages the ConnPACE (SPAP) program)

- MA trains all new CHOICES volunteers, counselors, new SPAP staff & InfoLine (211) staff
- CMA also maintains on-line monthly **Events Calendar** of statewide CHOICES presentations - updated daily as presentations are added
- ConnPACE works to ensure a smooth transition to Part D/collaborates with CHOICES for both beneficiaries & providers
- ConnPACE conducts train-the-trainer sessions "**wrap-around**"
- **MMA Workgroup**: Collaboration of 68 members representing 35 partner agencies (federal, state & local) to share information & coordinate mutual implementation strategies & activities



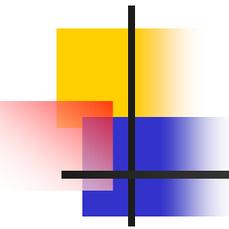
Educational Activities

- **Department of Mental Health and Addiction Services (DMHAS):** CMA and CHOICES conduct train-the-trainer sessions at Local Mental Health Authorities & Regional Boards; focus on outreach to mentally ill and AIDs/HIV populations, peer counseling. Link to the National Alliance for the Mentally Ill (NAMI)
- **Department of Mental Retardation (DMR):** information for DMR staff. Linkage to "adult children" on Medicare
- **AARP:** Part D workshops for AARP staff and volunteer counselors



What role can you play?

- Enrollment/PDP selection assistance
- Provide/distribute Part D information to the community and the people you serve
- Make referrals to CHOICES at
1-800-994-9422
- Attend CHOICES outreach/training sessions/ opportunities
- Provide feedback

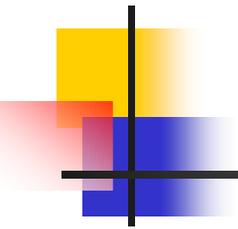


How can you help?

- Promote a positive message about the new Medicare Part D benefit as some individuals will be uneasy/resistant to change.
- Community outreach with meals-on wheels, energy assistance, homecare, home health, etc. programs as many of these individuals will be eligible for the low-income subsidy.

Timeline for States

<p>1/05 to 3/05</p>	<p>January: Final rule is issued February: Awareness campaign begins</p>
<p>4/05 to 6/05</p>	<p>May: Initial deemed population identified & mailings to potential low income subsidy eligibles June: Plan Bids Due</p>
<p>7/05 to 9/05</p>	<p>July: SSA begin accepting Low Income Subsidy Applications September: Plan Contracts Awarded</p>



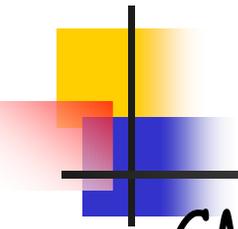
Timeline for States

10/05
to
12/05

October: Plans market, 2006 "Medicare & You" Mailing;
2006 Baseline of Per Capita Drug Costs to States
November: Enrollment period begins
December: Month Medicaid drug coverage
ends on 12-31-05

1/06
to
5/06

January: Part D Begins; auto-enrollment effective for
duals eligibles
May: May 15, initial enrollment period ends



For Questions/Assistance

- CMS

- www.medicare.gov
- 1-800-MEDICARE (1-800-633-4227)

- CEMA

- www.medicareadvocacy.org
- 1-800-262-4414

- CHOICES

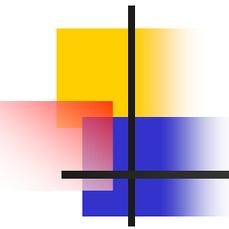
- 1-800-994-9422

- ConnPACE

- www.connpace.com
- 1-800-423-5026
- (860) 823-9265 (Hartford Area)

- Social Security Administration

- www.ssa.gov
- 1-800-772-1213



For Questions/Assistance

- Info-line

- www.infoline.org

- 211

- AAA's

- www.ctagenciesonaging.org

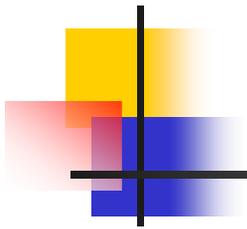
- Southwestern Connecticut Agency on Aging (203)
333-9288

- Senior Resources-Agency on Aging (860)
887-3561

- Agency on Aging of South Central Connecticut (203)
785-8533

- Western Connecticut Area Agency on Aging (203)
757-5449

- North Central Area Agency on Aging (860)
724-6443



PARTICIPATE

BE PART OF THE SOLUTION!!!!