Retail Pharmacy's Perspectives on Medicare Part D and Dual Eligibles

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Topics for Discussion

- Facilitating beneficiary choices
- Understanding appeals and grievance process
- Creating an accessible Part D '06 and beyond

Dual Eligibles and Pharmacy

Pre Medicare Part D

- Medicaid was about 19% of all Rx drug expenditures although higher in urban and rural areas.
- Pharmacies generally paid twice a month.
- Medicaid generally allowed any willing pharmacy and recipients generally had freedom of choice in provider.
- Medicaid didn't have extensive mail order usage.
- Medicaid generally had open formularies; states that had PDLs had to eventually cover the drug if subject to a rebate agreement.
- Many states covered "excluded drugs" and had nominal co-pays.

Post Medicare Part D

- Medicaid is now about 11% of all Rx drug expenditures.
- Pharmacies generally paid monthly from Part D plans, creating cash flow problems.
- Part D plans can use preferred and non preferred pharmacies although somewhat mitigated by standard co-pay amounts for dual eligibles.
- Pharmacies may not be in network, even though Part D has "any willing pharmacy" provision.
- Part D has mail order component.
- Most states covering Part D excluded drugs such as benzos and barbiturates but not other excluded drugs.
- Most states not covering co-pays.

Issues Relating to Beneficiary Choices

- Major start up issues: Duals 4Rx data not in system; co-pay information not in system.
- NACDS advocated for more “random intelligent assignment” to plans rather than auto assignment.
  - Computer algorithm can match beneficiaries to “best plans”.
  - Some states used process to re-enroll duals.
  - Duals take more drugs than non-duals; therefore likely to have more formulary issues if not correctly assigned.
  - Some states did do this at end of 2005, but did it very late – created more problems for pharmacies.
- Pharmacies need to have more latitude in helping seniors/duals select a plan without running afoul of marketing guidelines.
- Some pharmacies reporting difficultly in helping some duals understand the entire Part D program because of low literacy, language barriers, etc.

Accessibility in 2006 and Beyond

- **Data Availability/Copay Information**
  - NACDS extensively involved with CMS/plans to design TrOOP facilitation/E1 function
  - E1 had “time outs” early on, but issues have been mostly resolved
  - E1 very effective, but only when data are in system
  - Match rates around 50-60% depending on time of month – not always returned with data.

- **Late Enrollment and Plan Switching**
  - Duals can switch plans once a month
  - Data availability is getting better, but could be a long term problem because of late joiners during continuous enrollment and annual coordinated election/dual eligibles.
  - Duals adjudicating in more than one plan – CMS trying to resolve.
  - CMS appears to have authority to modify current policy – must use process “similar to and coordinated with” MA process
  - Possible solution: 30-day “enrollment processing period”

Accessibility in 2006 and Beyond

- **Cost Sharing and Formulary Issues**
  - Low-income individuals no longer able to obtain Rx drug without paying cost sharing (except if pharmacy waives)
  - Low income individuals generally take more Rx drugs, therefore number of potential drug formulary switches or coverage determinations might increase.
  - Some physicians appear to be reluctant to complete paperwork necessary to meet plans' prior authorization, step therapy or coverage determination requirements.

- **Proposed Transition Policies for 2007**
  - Difficult for pharmacies to access early on in process
  - Significant variability in design.
  - CMS: inform beneficiary at POS and by letter that transition supply dispensed
    - Might be more difficult to communicate with dual's physician because many lack permanent physician provider.

Accessibility in 2006 and Beyond

- **Pharmacy Operational Issues**
  - Pharmacist Messaging from Plans
    - Need to be More Standard and Useful
      - Primary messaging and secondary messaging
        - » Move through NCPDP, but use as “best practices” in meantime
      - Education Campaign so Pharmacists Can understand
    - Working with AHIP/NCPA to identify and address issues
  - Part B/D Issues
    - Requires plans and pharmacies to determine the diagnosis/use of a drug that could be covered under Part B or Part D – creates administrative burdens for pharmacists and delays for recipients.

Accessibility in 2006 and Beyond

- **State Reimbursement for Part D Plan Costs**
  - Still concerns that pharmacies will not see full reimbursement for prescriptions dispensed in good faith to dual eligibles.
  - Plan to plan reconciliation should occur, including state Medicaid programs with temporary fixes (no pharmacy recoupments)
- **Part D Pharmacy Economics/Network Availability**
  - Lower/Slower payments from Part D plans
  - Uncompensated time to resolve early issues/potential lost revenue from claims that were not billable.
  - Medicaid cuts starting January 2007