

Effects of Medicare Part D on Dual Eligibles in LTC Settings

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What is Long-Term Care?

- Freestanding NF
- Hospital-based NF
- ICF/MR
- IMD (usually state-operated)

Impact so far?

- Negligible impact on beneficiaries
- Impact on other LTC stakeholders is significant and may have future impact on beneficiaries

LTC Stakeholders

- Residents
- Physicians
- LTC facilities/staff
- LTC pharmacies
 - Institutional free-standing
 - Hospital, retail

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Medicare Part D: Square Peg in a Round Hole

- Built on commercial insurance model
- Applied to institutionalized populations (4.5% of beneficiaries)
- Differences: clinical, regulatory, operational
- Heavy administrative burden

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The number of Part D plans, and the wide variability from plan to plan, create challenges in the long-term care setting. Quality of care and efficiency are achieved through consistency and uniformity.

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Progress Since Jan. 1

- CMS has been very responsive
- Individual problem/plan approach versus broad plan “requirements”
- Numerous issues addressed through memos to plans, guidance documents

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Part D Plan Response

- **Variable**
- **Part D plans have come a long way in short time**
- **Coalitions, workgroups resulting in progress**
- **Standardized messaging**

PDP Tools

- **Formulary restrictions**
- **Tiered formularies**
- **Prior authorization**
- **Step therapy**
- **Quantity limits**



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PDP Diversity

- Kaiser study, Medicare.gov
- 14 national and near national PDP sponsors; 35 plans
- Sample of 152 generic/brand medications
- Plans cover 81% of drugs (64 to 97% range)

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PDP Diversity-Kaiser Study

- 4 of 35 plans use UM tools on less than 10% of medications
- 13 of 35 plans use UM tools on 40% or more of medications
- Half of plans use UM tools on 5 of the top ten brand name drugs

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PDP Diversity

- **Avalere study, database**
- **Overview of ten national PDPs**
- **# drugs 626–2,773**
- **Percent PA from 2.1% to 40%**

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Current Challenges

- Excluded medications
- Co-pays for dual eligibles in group homes and AL
- Part B/Part D payment coordination

Current Challenges

- Infusion therapy, home & LTC
- LTC facility “on the hook” for denied medication claims
- Physician burden from uncompensated administrative work to obtain medications

Current Challenges

- CMS marketing guidelines
- CMS survey and certification memo on LTC facilities and Medicare Part D
- CMS Q&A on contracting between Part D plans and LTC pharmacies

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Current CMS policies restrict LTC residents from getting help choosing and enrolling in a Part D plan, and restrict Part D plans and LTC pharmacies from including patient protections in contractual agreements.

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Resources on Medicare Part D and Long-Term Care:

www.ascp.com/MedicareRx



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Thank you!

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