

National Conference of State Legislatures

**National Medicaid Congress
June 5, 2006**

**State Pharmaceutical
Assistance Programs,
Medicaid & Part D:
2006 State Update**



For more...



■ NCSL resources:

- www.ncsl.org/programs/health/pharm.htm

NEW

2006 Prescription Drug State Legislation 400+ bills in 40 states [41 pp]

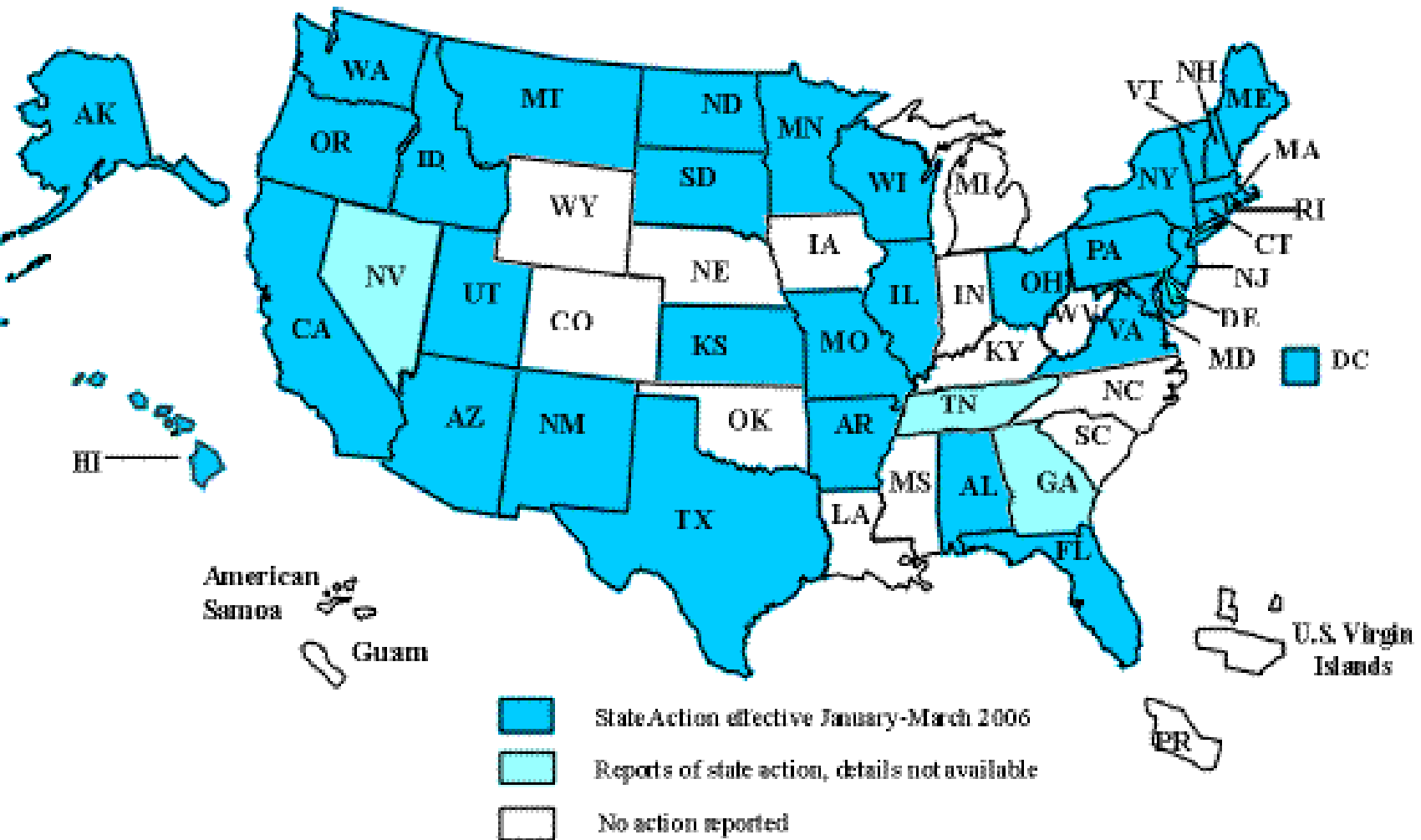
- www.ncsl.org/programs/health/drugbill06.htm

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MMA Led to Major Changes in State Laws & Policies

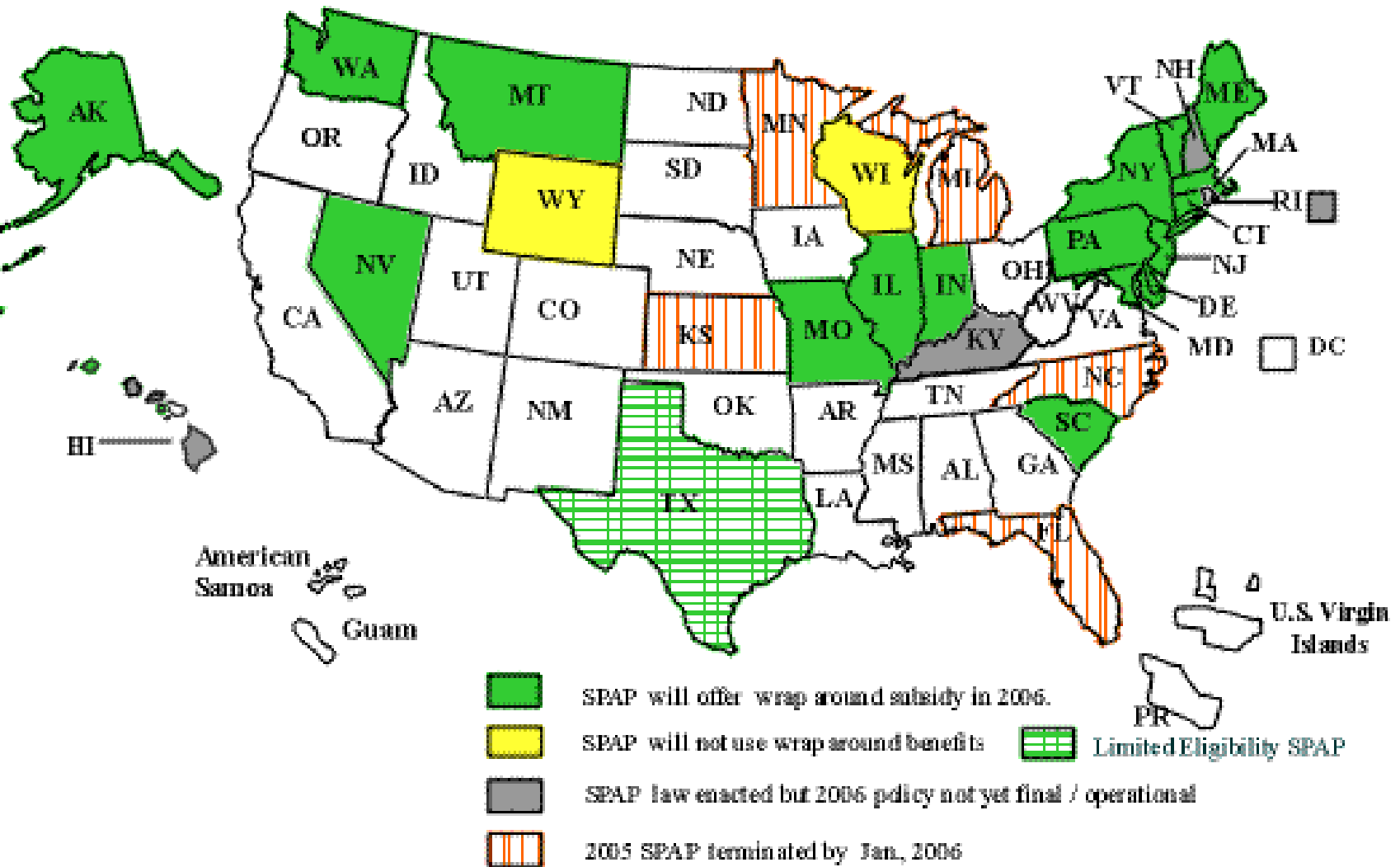
- **2005: 45 states** considered 130+ bills
 - **31 states passed laws** as of December
 - AK, AZ, AR, CA, CO, CT, DE, FL, HI, IL, IN, KY, LA, ME, MD, MA, MN, MS, MO, MT, NV, NH, NJ, NM, NY, ND, OK, OR, SC, VT, VA, WA
- **2006: 37+ states** have made RX policy changes this year.
- Quick, nimble solutions to offer emergency coverage for duals overcharged or turned away
HHS announced reimbursement solution on Jan. 24.

2006 Medicare Part D Transitional and Emergency Coverage



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States with Laws or Programs to Wrap Around or Coordinate SPAP and Medicare Part D Benefits



© Compiled by NCSL; updated 3/28/06. Includes new programs in AK, HI, KY, MT & NH not operational until 1/06 or later. For details regarding content and status, consult NCSL reports online at www.ncsl.org/programs/health/SPAPCoordination.htm

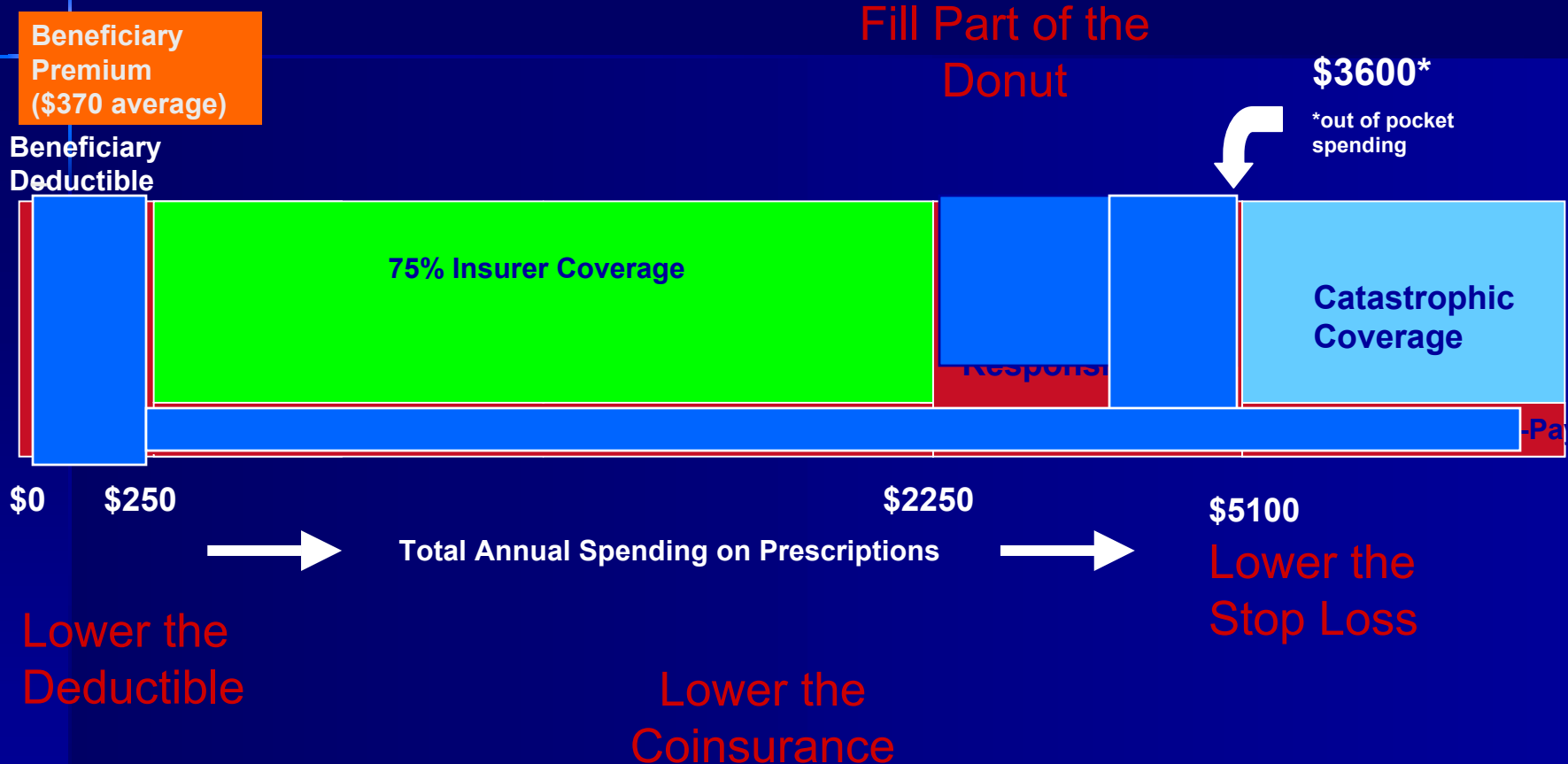
2005 Law Examples

- **"Wrap around" benefits**, allowing existing state pharmaceutical assistance programs (SPAPs) to fund or facilitate costs not covered by MMA. (CT, DE, IL, IN, ME, MD, MA, MO, NV, NJ, NY, SC, VT) Executive action w/o law: PA, RI = 15 states
- **Create new subsidy programs** to wrap around or supplement Part D. (AK, HI, KY, MT, NH) = 5 states
- **Repeal or termination** of existing state Rx programs or features. (FL, KS, MI, MN, NC) = 5 states

Options for Part D State Enhancement

An April '06 review

[adopted from Donna Boswell, Dec. 2004 with NCSL additions]



Illinois



- Rx coverage wraps around benefits with Medicare; paying premiums, deductibles + gap coverage.
- Income up to \$21,218 for individual or 28,480 for a couple
- State share = up to \$3,000+.
- current active enrolled: 270,338 members, including about 30,000 Non-Medicare

Massachusetts redesigns



Prescription Advantage

- Was 2005 Rx insurance plan for 80,000.
- Part D replaces old policies for 77,000 Medicare eligibles.
- State pays some of the Medicare costs for premiums, deductibles, gap payments, and co-payments.
- MA was 1st state to win CMS approval to "auto-enroll members into lower-cost PDP plans. *(Random assigned to plans w/ premiums below a uniform threshold)*
- For 3,000 non-Medicare eligible, state insurance coverage continues.

Alaska



- Newly created, solely as wrap around.
(Signed August '05)
- Age 65+;
income up to 175% FPL.
(In AK = \$21,437/yr for '06)
- Will cover premiums and annual deductible, about \$670 /yr.
- Est. eligible 4,000 Part D

Nevada



- State \$ wrap around instead of insurance.
- Will cover premiums and coverage gap over \$2250 (not co-pays or deductibles).
- Age 62-64 covered with state-only \$
- 9,500 enrolled so far.

States Covering non-Medicare people

- **Eligibility expansions & new Rx programs, in part to serve non-Medicare populations under age 65.** Most are discount card plans.
 - **14 states have some type of program authorized**
- **2005 laws enacted in six states: no age limits**
 - **Arkansas: income up to 350% FPL***
 - **Illinois: all residents, income up to 300% FPL**
 - **Maryland: uninsured up to 175% FPL**
 - **Montana: uninsured or exhausted benefits, 250%**
 - **New Mexico: uninsured, no income limit**
 - **Oklahoma: uninsured; no income limit**

*FPL = Federal Poverty Level: \$9800 for individual in 2006

What About Medicaid?

- Duals have co-pay requirements of \$1 to \$5 but no other cost-sharing.
- Some states are giving attention to duals.

Washington

Medicare Copayment plan

- 2006 plan to use \$14 million already appropriated for the "clawback" using savings derived from the HHS recalculation.
- State will pay the \$1 to \$5 copayments owed by dual-eligibles.
- SB 6386 signed 3/31/06; started 2/21/06; covers costs through June 2007

Medicaid wrap around experiments

- Beyond SPAPs, at least 4 state Medicaid programs are offering duals extra coverage with state-only \$.
- As of May 2006: CT, NJ, NY, VT
 - NJ estimates about 3% of previous year drug spend on the wrap.
 - CT about 10%.

Some 2006 Issues

- Further changes in SPAP coverage.
- State regulation of PDPs? (CA, CT, MN laws)
- State coverage of "Part D Excluded Drugs" or non-plan Rx.
 - The Clawback > state suit filed in February
- Impact on Medicaid Preferred Drug Lists

NCSL-CMS Partnership On Part D

- Partnership to get information to legislators and constituents on Part D.
 - State laws related to Part D.

Medicare Tools for State Legislatures

- www.ncsl.org/programs/health/MedicareRx.htm
- www.cms.hhs.gov/States/



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