



# Dual Eligibles and MMA: Risks to Beneficiaries, Challenges --- for States, Providers and Plans

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# Who Are the Dual Eligibles?

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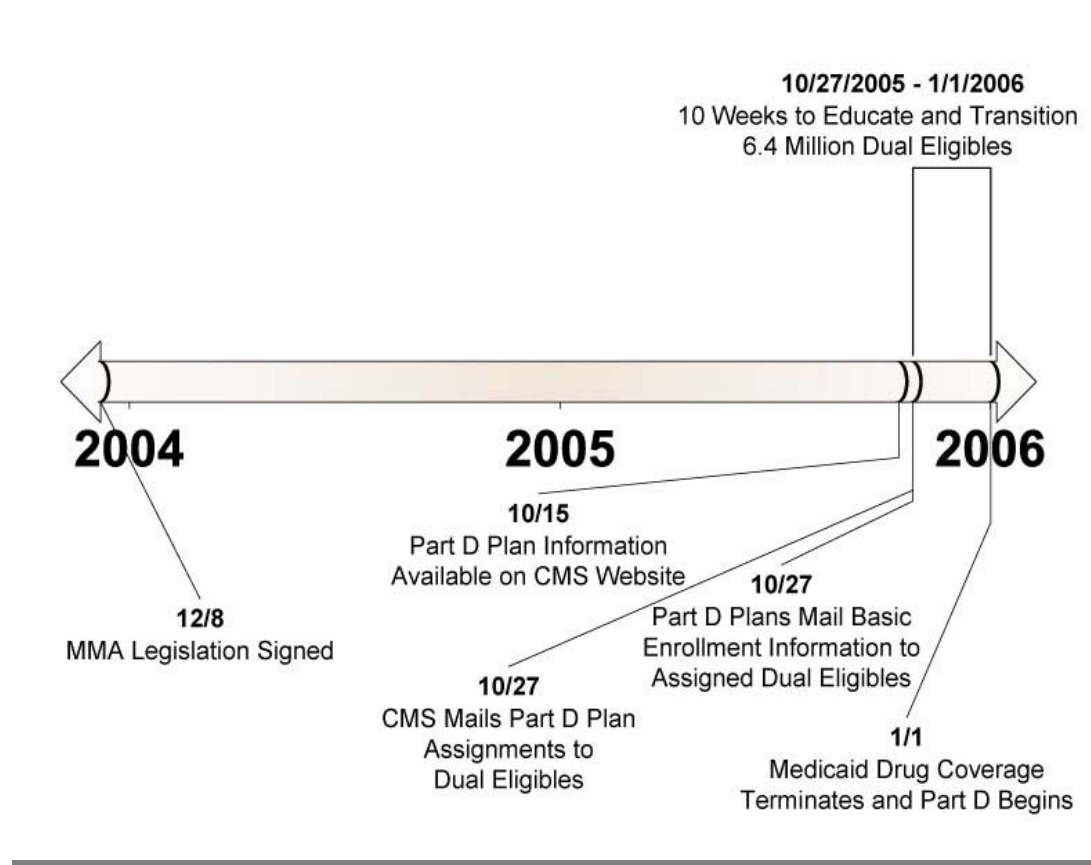
- People with both Medicare and Medicaid coverage
  - MMA defines new group of “full duals”
- About 6.4 million by January 2006
- Exceptionally vulnerable population
  - Sick (half have limits in ADLs)
  - Cognitively Impaired (almost 40%)
  - Underserved (racial/ethnic minorities; rural; undereducated)
  - Likely to be institutionalized (1 in 4)
  - Poor
  - Dependent on prescription medications

# Review: Dual Eligibles and MMA

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- Duals currently receive drug coverage under state Medicaid programs
- As of January 1, 2006
  - duals will not be eligible for “Medicaid” drug coverage except for excluded drugs, state-funded wraparounds
  - duals will be enrolled in Part D plans for drug coverage
- Enrollment in Part D plans will be automatic for duals, with freedom to switch plans or decline

# Timeline for Duals Transition





# Transition Risks for Dual Eligibles

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- Falling through the cracks of the data exchange
- Interrupting access due to formulary limitations and pharmacy networks
- Failures of communication and education
- Workload disruptions in pharmacies and clinics

# Risk #1: Falling through the Cracks of the Data Exchange

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- Full Coverage for Duals Depends On Impossibly Perfect Data Exchange Among:
  - States
  - CMS
  - SSA
  - Medicaid MCOs/Medicare Advantage Plans
  - Part D Stand-alone Plans
  - Beneficiaries
- Time Delay Issues
  - new duals may have delay in drug coverage after eligibility established
- If duals make affirmative plan choice, risk is reduced
- What recourse? (1-800-Medicare? State? CMS Ombudsman? Who is responsible?)

## Risk #2: Access Issues – Formularies & Pharmacy Networks

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- Plans' Formulary and Pharmacy Coverage still unknown
- CMS Guidance Docs have important formulary protections for duals, but use of prior authorization still uncertain
  - "Transition Policy"
  - 6 Special Classes
  - LTC emergency fill policy
- Pharmacy Networks likely more limited than Medicaid
  - Safety net providers – in-house pharmacies, FQHCs, specialty pharmacies not as fully represented as chains
  - LTC pharmacies and nursing homes have special issues

# Risk #3: Failures of Communication and Education

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- System depends on an educated, capable consumer
  - To select an appropriate plan
  - To assert rights
  - To navigate appeals
  - To coordinate with treating physician
- CMS' Communication and Education strategies not sufficient to date
  - Official communications between CMS and duals only by mail (problems with addresses, delivery, literacy, English proficiency)
  - Outreach groups get limited funding; most SHIPs and seniors groups targeted to mainstream majority populations



## Risk #4: Workload Disruptions in Pharmacies and Clinics

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- Doctors will have to manage many different formularies (vs. 1 state program)
  - Many have experience with multiple managed care formularies, but for healthier pops. with fewer medications
- 38% of patients planned to ask docs for help picking a Part D plan
- Docs and pharmacists will have to be involved in resolving PA and some formulary edits
- Pharmacists will be on front lines Jan. 1 to identify plan assignments, face customer confusion

# Prior Authorization and Appeals – Special Considerations for Duals?

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Dual Eligibles and other vulnerable beneficiaries may not have the cognition, the skills, the literacy, the English proficiency, the resources or the trust to navigate the appeals or prior authorization processes

Resolving prior authorization edits to a clinically-appropriate conclusion may be harder with respect to dual eligibles than the general Medicare population

# Prior Authorization and Appeals – Special Considerations for Duals

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3 sample successful prior authorization processes with no need for an appeal:

Patient → pharmacist → patient → doctor → plan  
→ pharmacist → patient

Patient → pharmacist → doctor → plan →  
pharmacist → patient

Patient → pharmacist → patient → plan → patient  
→ doctor → plan → patient → pharmacist →  
patient

# Transition Challenges - States

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- Wrap around Part D to meet existing Medicaid formulary
- Provide emergency supply so duals do not leave the pharmacy empty-handed
- Supplement outreach with phone/face-to-face notifications and counseling
- Treat duals at least as well as SPAP enrollees
- Clarify “authorized representative” standards to minimize conflicts of interest but maximize Part D enrollment assistance

# Transition Challenges – Providers & Pharmacies

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- PREPARE for increased workload/questions/counseling requests
- Assist customers/patients with prior authorizations and appeals
  - Physicians develop systems for efficient communication with pharmacists and plans
  - Pharmacists communicate directly with physicians when possible

# Transition Challenges – Prescription Drug Plans

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- Minimize PA/edits at the pharmacy counter to the extent possible and consistent with clinical guidelines
- Incentivize pharmacies:
  - To connect directly to docs for PA/coverage issues
  - To assist customers with plan enrollment information
- Bring safety net pharmacies into networks
  - It may take some outreach



# Transition Challenges – CMS

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- Establish single point of contact/recourse for duals with enrollment/eligibility issues
- Permit FFP for states to provide Medicaid drug coverage between time when dual eligibility is established and Part D coverage begins (up to 4 months)
- Fund non-mail outreach activities geared to hard-to-reach populations