



The Evolving Role of States in the Medicare Drug Benefit

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Evolutionary Challenges for PACE

- **Maintaining integrity of comprehensive drug benefit for 315,000 older Pennsylvanians**
- **Seamlessly merging PACE benefit administration with that of selected Part D plans**
- **Coping in a federal regulatory environment that is unfamiliar with state SPAP operations**

Income Limits and Eligibility Requirements

- ✓ Eligibility Requirements:
- ✓ Must be 65 Years of Age or Older
- ✓ Must be a Resident of PA for at Least “90” Days

2006 PACE Income Limits:

Single Applicant	\$14,500
Married Couple	\$17,700

2006 PACENET Income Limits:

Single Applicant	\$14,500 - \$23,500
Married Couple	\$17,700 - \$31,500



Previous PACE/PACENET Benefits and Copays

Benefit Structure Prior to September 1, 2006

PACE

\$6.00 Copay for Generic RX

\$9.00 Copay for Brand Name RX

PACENET

\$40.00 Monthly Cumulative Deductible

\$8.00 Copay for Generic RX

\$15.00 Copay for Brand Name RX



PACE/PACENET Benefits and Copays

Benefit Structure Changes for Cardholders Enrolled
in Medicare Part D plan...

After September 1, 2006

PACEplus

PACE Pays Part D Premium

\$6.00 Copay for Generic RX

\$9.00 Copay for Brand Name RX

PACENETplus

Cardholder pays Part D Premium <\$32.59

PACENET Deductible Eliminated

\$8.00 Copay for Generic RX

\$15.00 Copay for Brand Name RX



PACE/PACENET Benefits and Copays

Benefit Structure Changes for Cardholders Not
Enrolled in Medicare Part D plan...

After September 1, 2006

PACE

\$6.00 Copay for Generic RX

\$9.00 Copay for Brand Name RX

PACENET

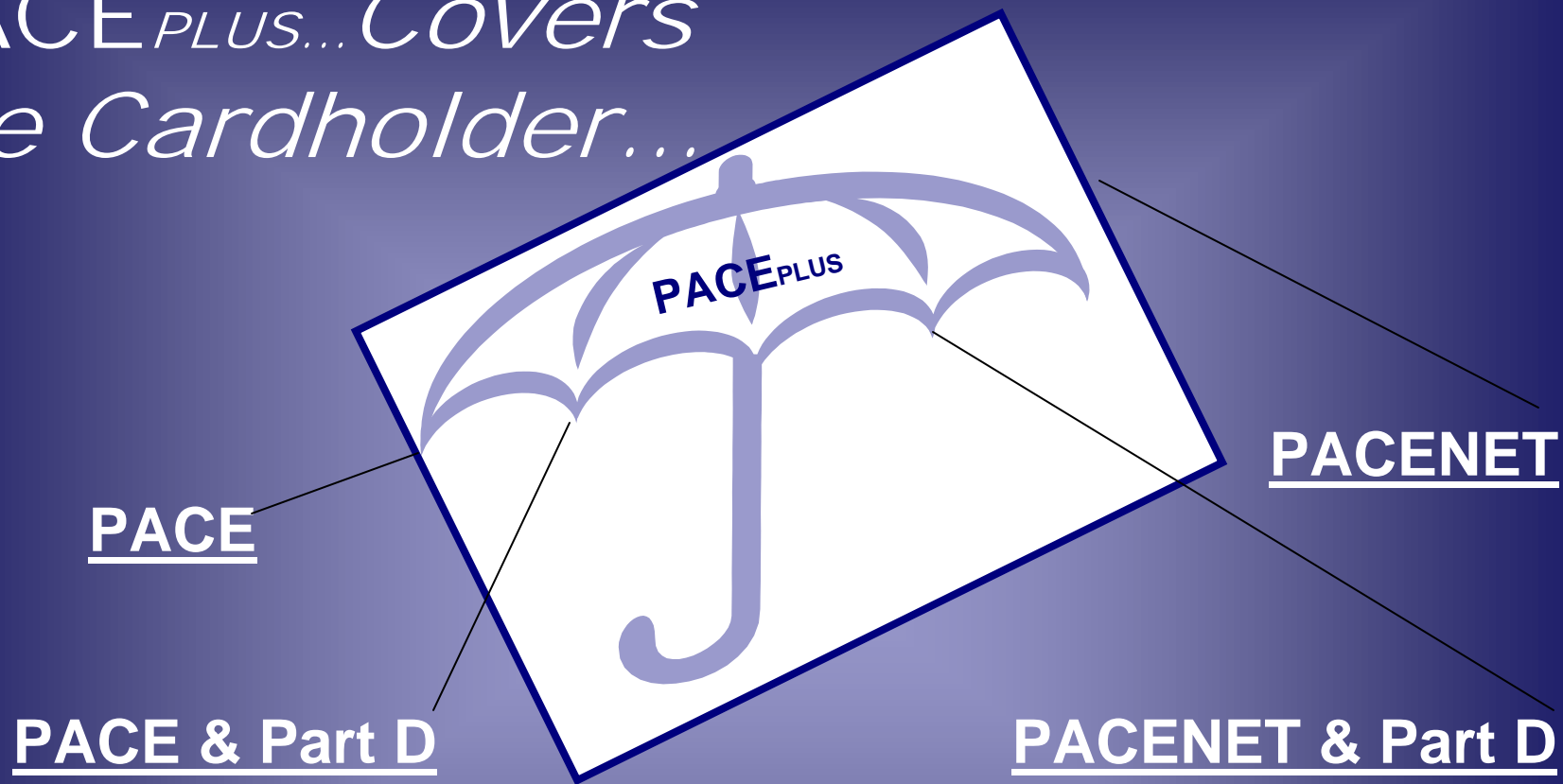
\$32.59 Monthly Cumulative Premium

\$8.00 Copay for Generic RX

\$15.00 Copay for Brand Name RX



PACE_{PLUS}... Covers the Cardholder...



“Part D Enrollment Voluntary – But Strongly Encouraged”

PACE/PACENET Becomes PACEplus

- ✓ July 7, 2006 PACEplus Legislation is Signed
- ✓ PACE Partners with 7 Medicare Part D Plans
(9 Offerings)
- ✓ September 1, 2006 PACE_{PLUS} Enrolled 154,559
- ✓ PACE_{PLUS} is the Secondary Payer
- ✓ PACE_{PLUS} wraps Around Medicare Part D



Act 111-2006 Changes Everything

~ PACE_{PLUS} ~

- ✓ Pay Premiums for PACE Cardholders Enrolled in a Part D Plan on Behalf of Cardholders
- ✓ Eliminated \$40 PACENET Monthly Deductible
- ✓ PACENET Cardholders not Enrolled in Part D, Pay Premium at the Pharmacy
- ✓ PACENET Cardholders Enrolled in Part D, Pay Premium Directly to Part D Plan – not at the Pharmacy...

Coupon Booklet - Social Security Check – Bank Account

Why is it a “Plus” to have both PACE and Part D Coverages?

- ✓ PACE Cardholders – May Pay lower Copayments
- ✓ PACENET Cardholders – Save Money on the Premium & may Pay lower Copayments
- ✓ All Cardholders – Can use PACE/PACENET During Deductible Period and Donut Hole
- ✓ PACE_{PLUS} Program may Cover Excess Copays & Excluded Part D Drugs

“PACE + Medicare Part D = Savings”

How PACE_{PLUS} Selected Part D Plans...

- ✓ Reviewed Drug Usage for Past Year
- ✓ Reviewed the Pharmacies Utilized
- ✓ Reviewed Network for Each Partner Plan
- ✓ Make the most Cost Effective & Comprehensive Prescription Plan Choice for the Cardholder

Why Were Some Cardholders Not Assigned to Part D Plans?

- ✓ Medicare Advantage Members (MAP)
- ✓ Retirees with Prescription Coverage
- ✓ Non-Utilizers (23,000)
- ✓ Not Eligible for Medicare



PACEplus Partner Part D Plans & Premiums

- AmeriHealth Advantage

\$24.18

- First Health Premier

\$27.21

- Highmark Blue Rx

\$26.55

- Humana

Standard \$10.14

Enhanced \$16.94

- Ovations

AARP \$25.03

MedAdvance \$29.20

- Pacificare

\$25.20

- MemberHealth

\$32.10



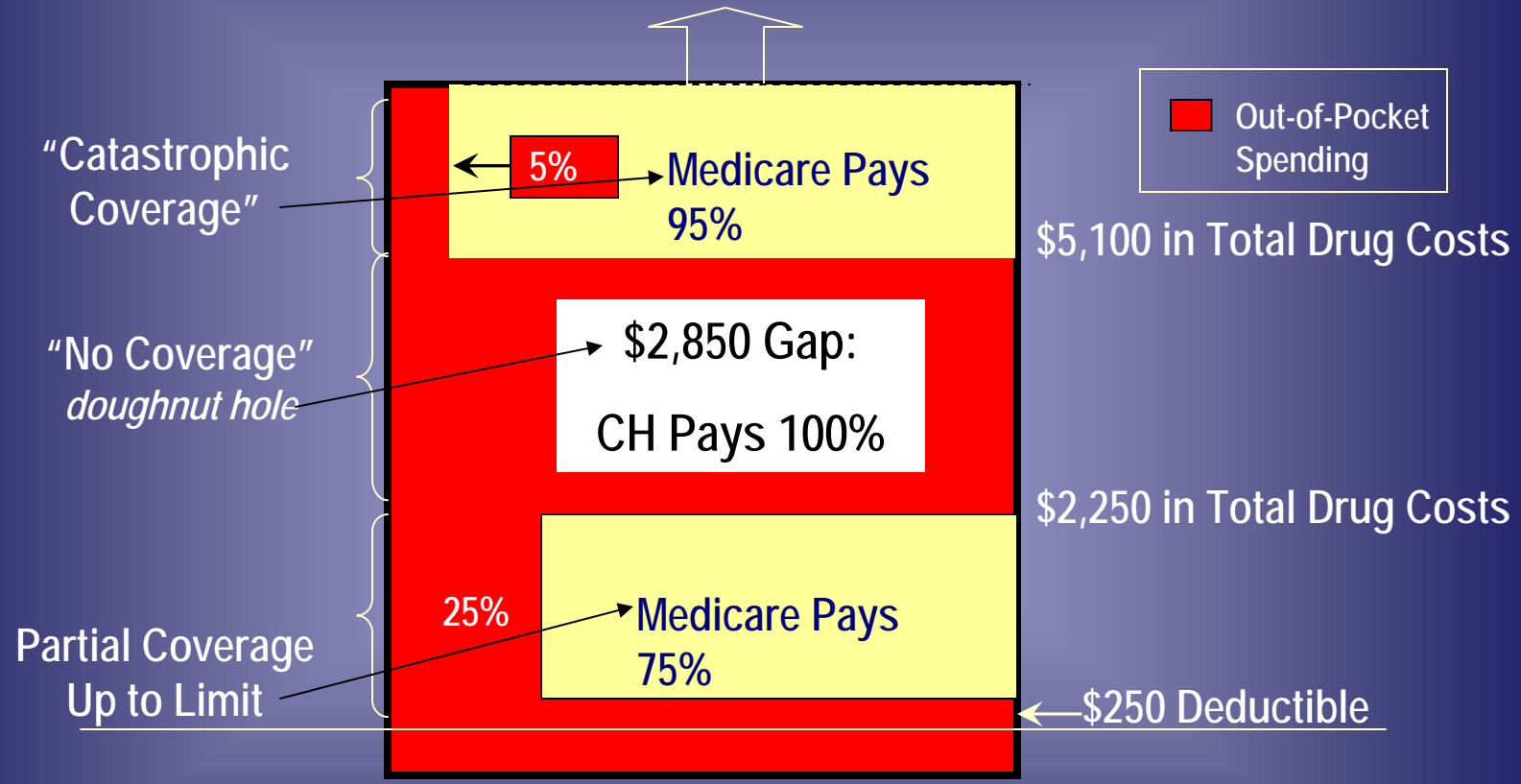
Important Dates along the Way

Introducing Medicare in 2006

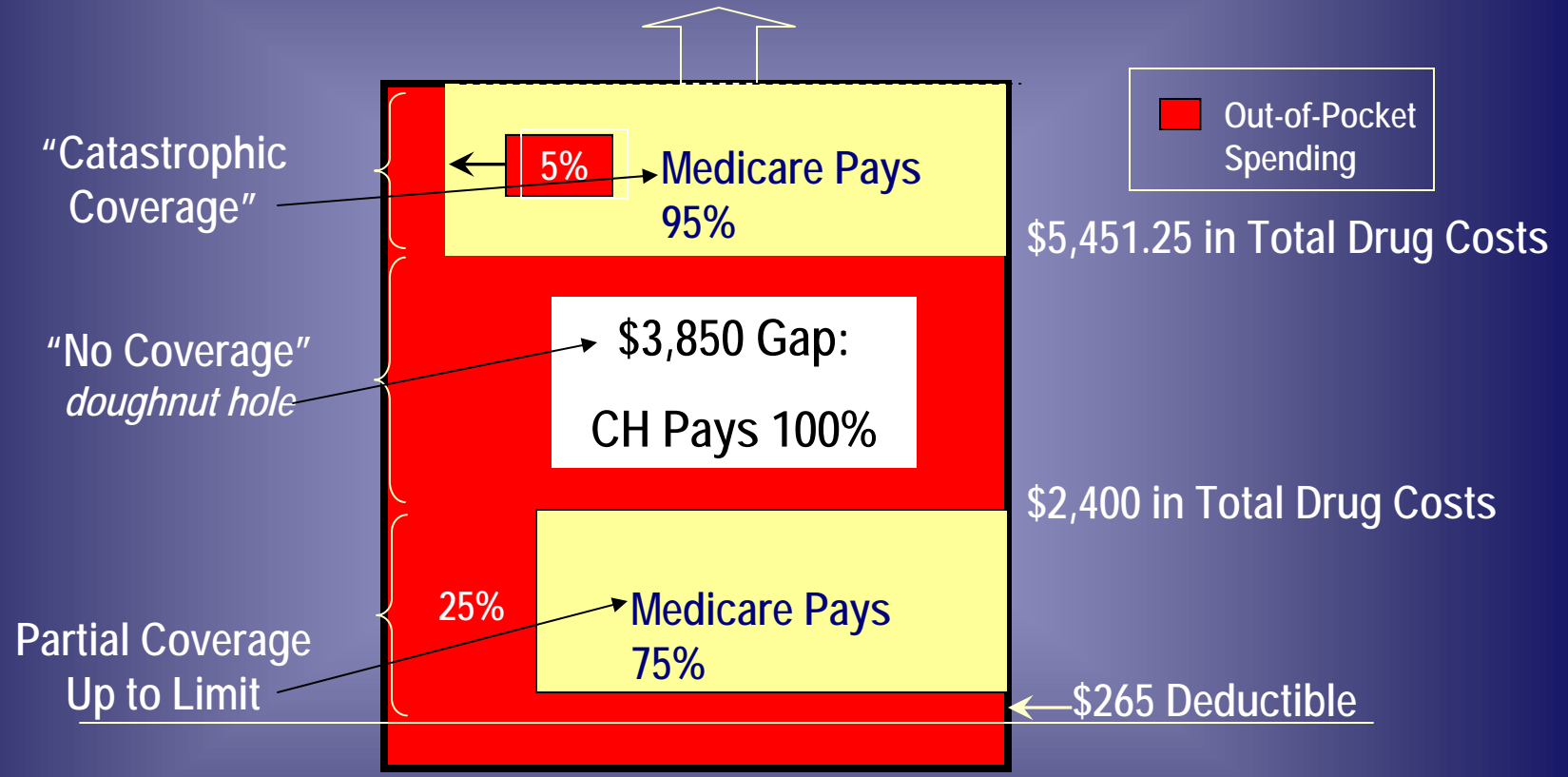


- ✓ *December 2005: Sent Letter explaining Cardholders about Part D and PACE*
- ✓ *April 2006 Sent Letter explaining Possible Part D Enrollment Partnership*
- ✓ *April 2006 Sent Letters to all Part D Full Subsidy (LIS) Eligible Cardholders*
- ✓ *May 2006 thru Current, Enrolled over 21,000 Cardholders into LIS through our outreach project*
- ✓ *September 1, 2006, Enrolled over 154,000 Pace and PACENET Cardholders in Part D Plans*

Standard Medicare Prescription Drug Benefit 2006



Standard Medicare Prescription Drug Benefit 2007



PACE Plus Medicare Prescription Drug Benefit 2007

