

Medicare Part D

What Can the HIV Community in New York State
Do To Get Ready For Medicare Part D?

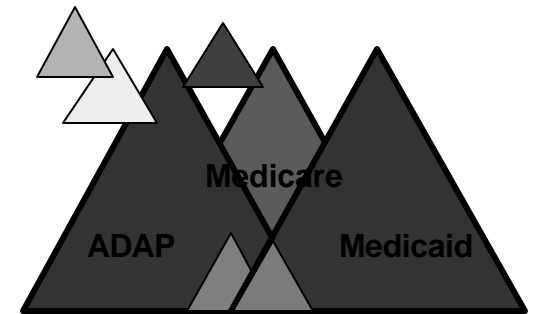
Statewide Medicare Road Show presented by:

Gay Men's Health Crisis

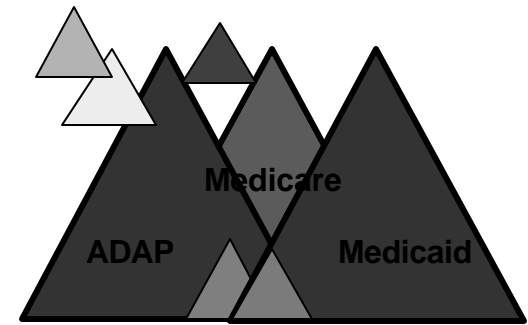
New York AIDS Coalition

**Uninsured Care Programs
NYS Department of Health**

September/October 2005

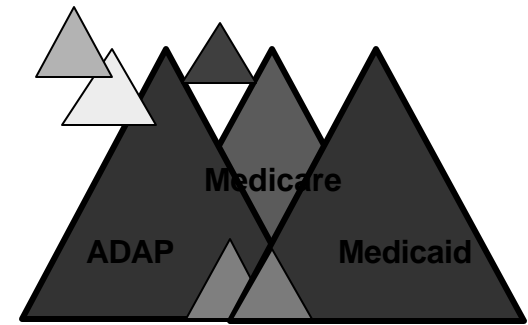


Presentation Outline



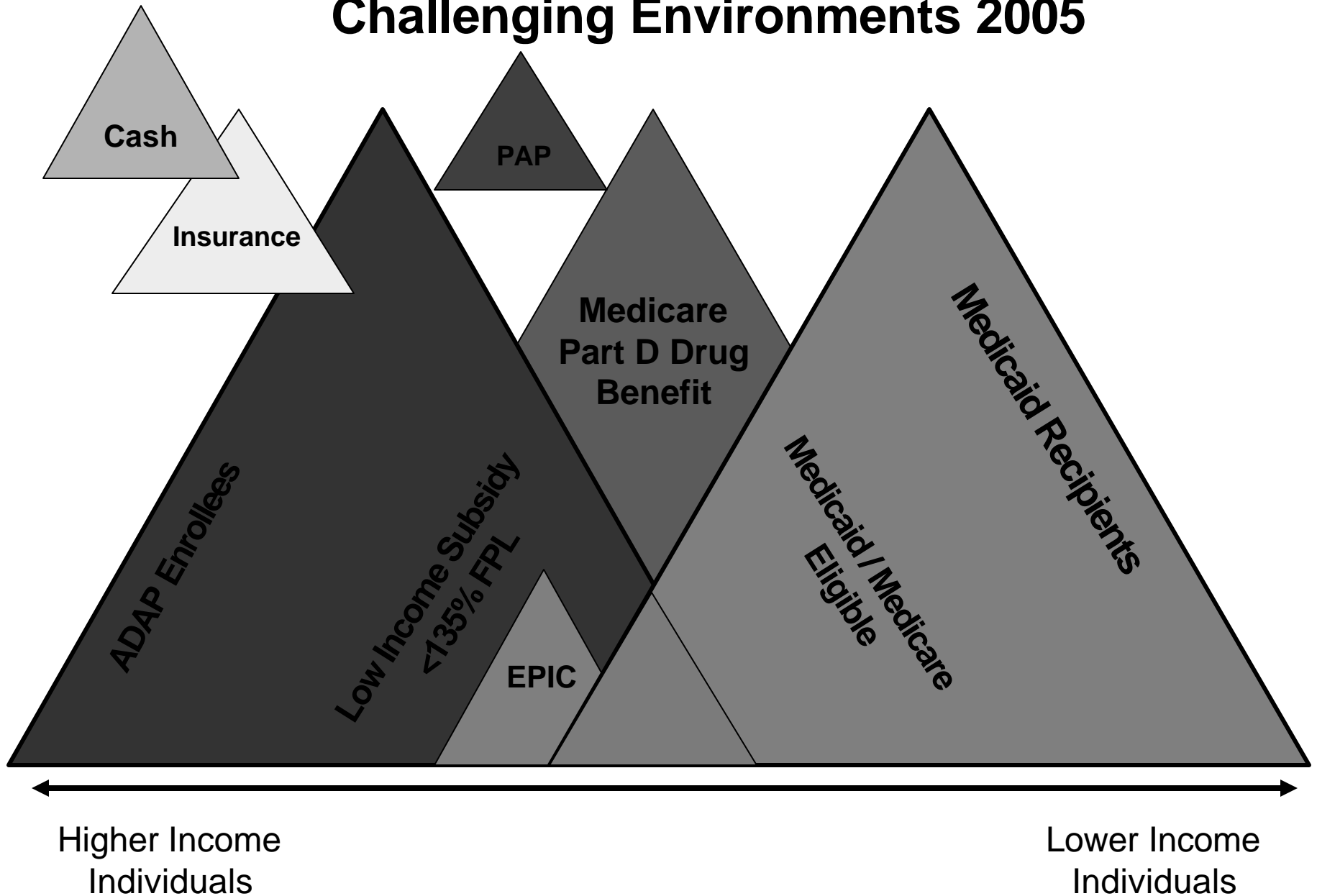
- Medicare and HIV/AIDS
- What is the new Medicare Part D drug benefit, how will it work, and how does it fit in with other drug coverage programs in NYS?
- What are some of the issues HIV+ New Yorkers have to consider when enrolling in Part D?
- Summary, Resources, and Q&A

Medicare and HIV/AIDS

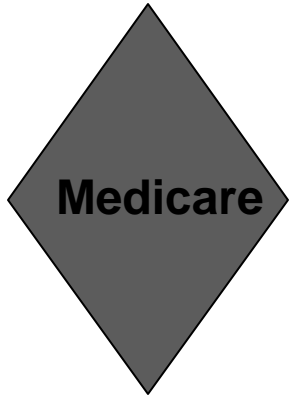
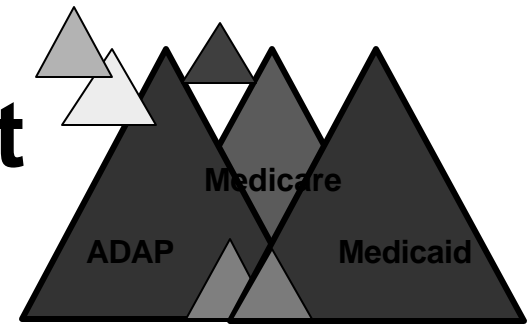


- Medicare is the second largest source of HIV care in the U.S., after Medicaid
- Approximately 60,000-80,000 Medicare beneficiaries with HIV/AIDS nationwide, three-quarters of whom also have Medicaid
- 10,000 -20,000 Medicare beneficiaries with HIV/AIDS in New York State
- As people with HIV age and/or qualify as disabled, the number of HIV+ Medicare beneficiaries will grow
- Many questions about Medicare Part D still have no answers

Access to HIV Drugs Continuum Challenging Environments 2005

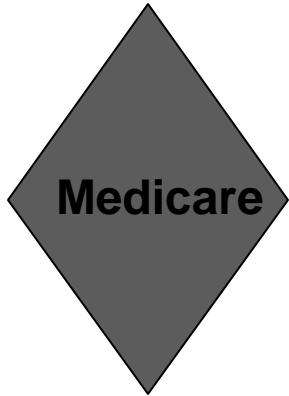
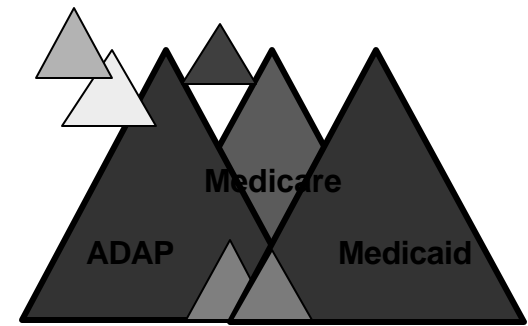


Medicare Part D Drug Benefit



- **Available to Medicare eligible beneficiaries on January 1, 2006**
 - **Varying benefit levels based on income**
 - **More comprehensive pharmacy benefits for low income and senior participants**
 - **Change in the way drugs are accessed**
 - **Will impact approximately 10-15% of ADAP / Medicaid participants**

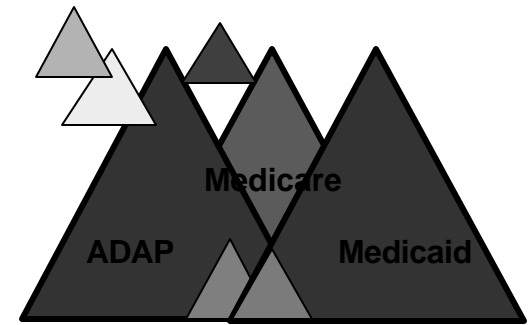
Medicare Part D Drug Benefit (Cont.)



- **More complicated decision making process for patients and participants – they need to enroll in Part D and pick Prescription Drug Plan (PDP)**
- **Cost Sharing requirements for individuals**
- **Enrollment in Part D is optional for most**
 - **Delayed enrollment = Higher premium costs, increase by 1% per month every month after 5/2006**

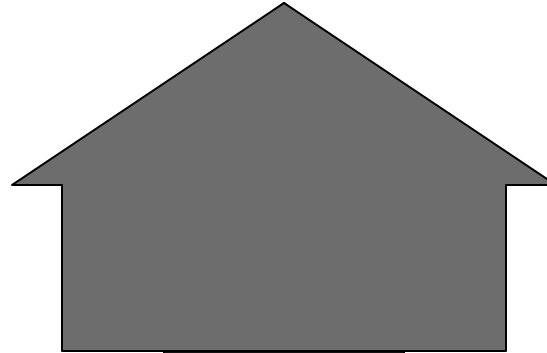
Medicare Part D Overview



Standard Benefit

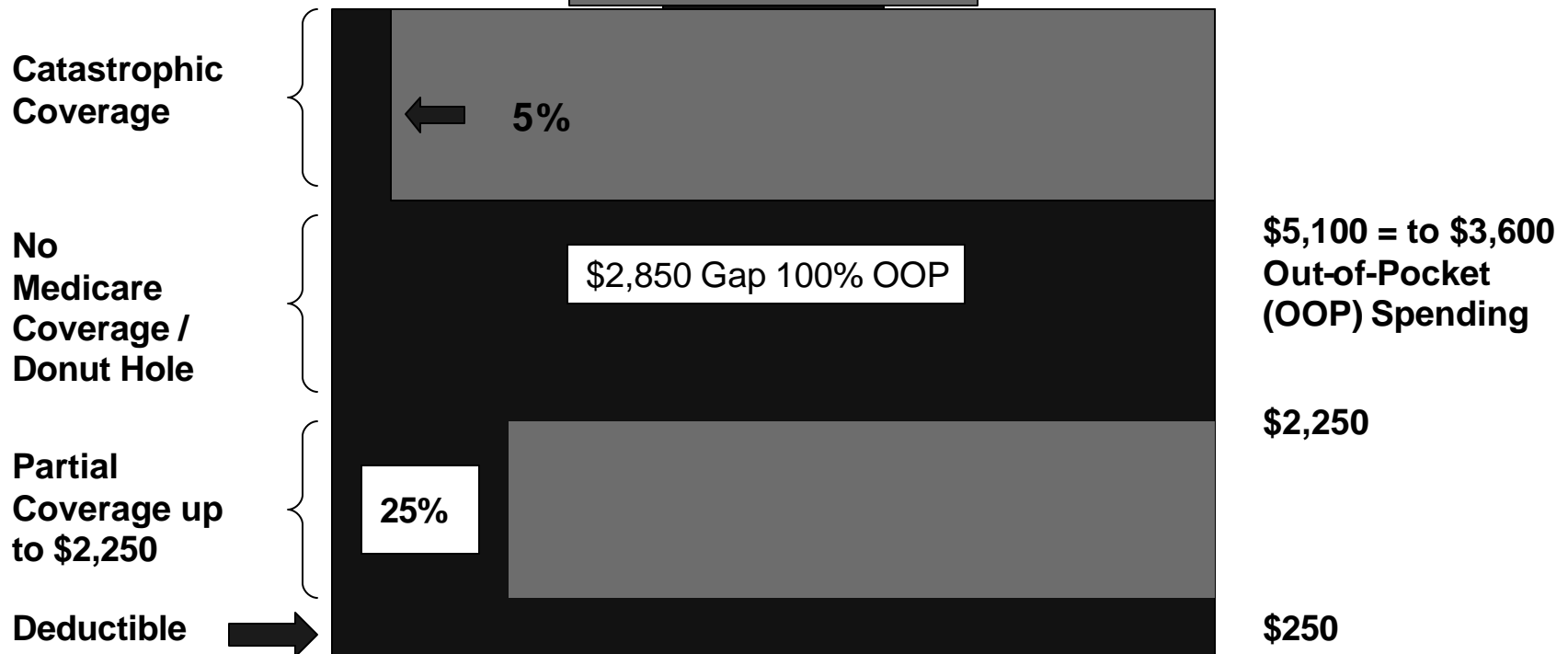


- Voluntary Enrollment – anyone who is eligible for Medicare Parts A or B
- Individuals need to apply for coverage
- Beneficiary Expenses
 - Monthly Premium, est. \$400 per year (2006)
 - \$250 deductible
 - 25% of the next \$2,000
 - 100% of the next \$2,850 – “donut hole”
 - 5% above \$5,100 – total or \$3,600 Out of Pocket Expenses

Out-of-Pocket Spending For Higher Income (above 150% FPL) Medicare Beneficiaries

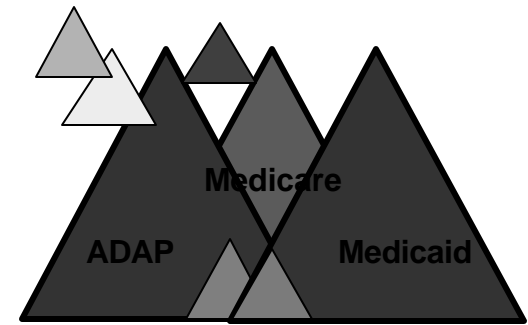


-  Out of Pocket Spending
-  Part D Coverage



Medicare Part D Overview

Low-Income Subsidies

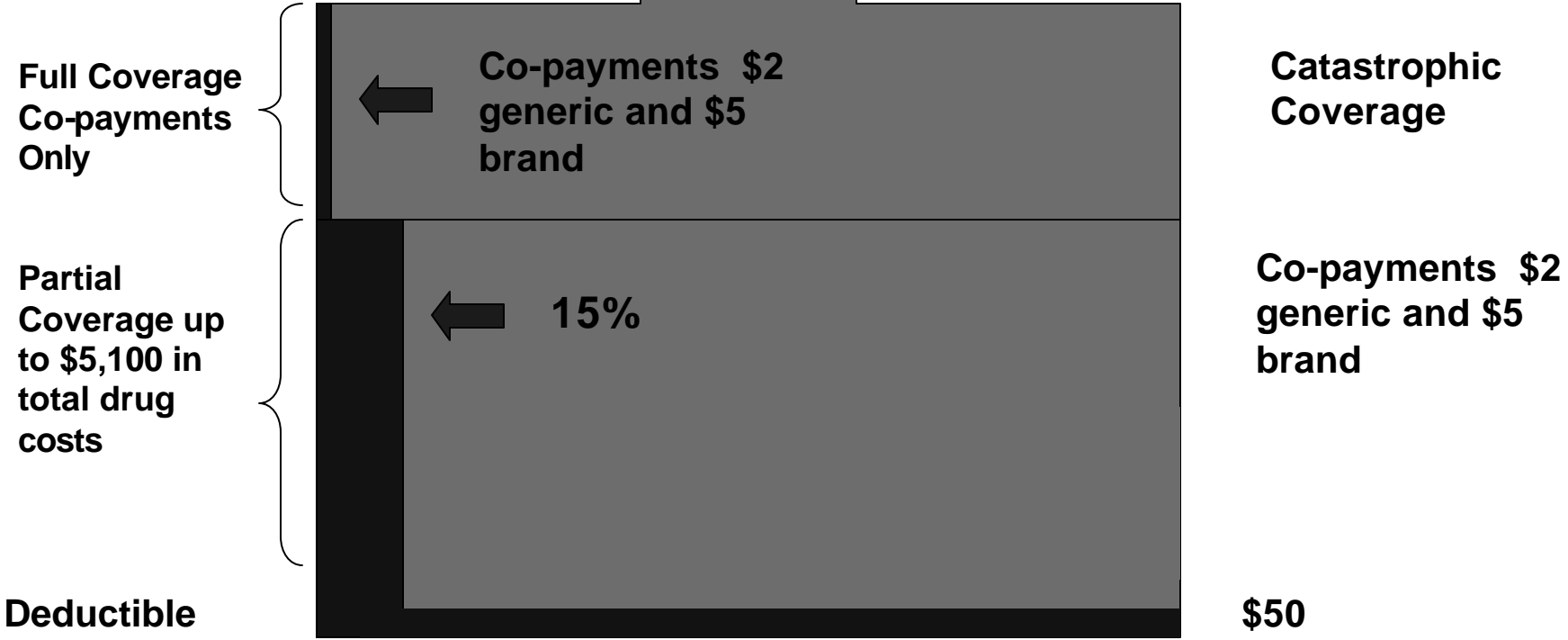


- Individuals with incomes between 135% and 150% of FPL (\$14,355)
 - Individuals need to apply for Part D and “extra help” separately
 - Asset Test \$11,500 (Individual) and \$23,000 (Couple)
 - Premium \$0 - \$400 depending on income
 - Deductible \$50
 - Co-payment 15% until catastrophic coverage and \$2/\$5
 - No donut-hole

Low Income Subsidy Out of Pocket Spending >135% - 150% of FPL

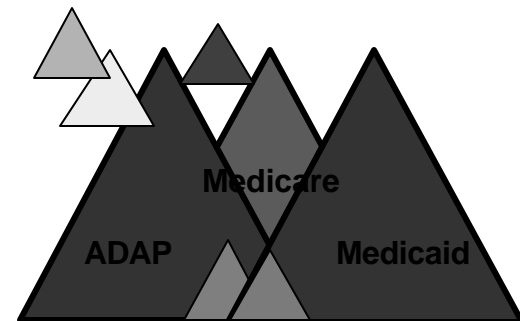


- Out of Pocket Spending
- Part D Coverage



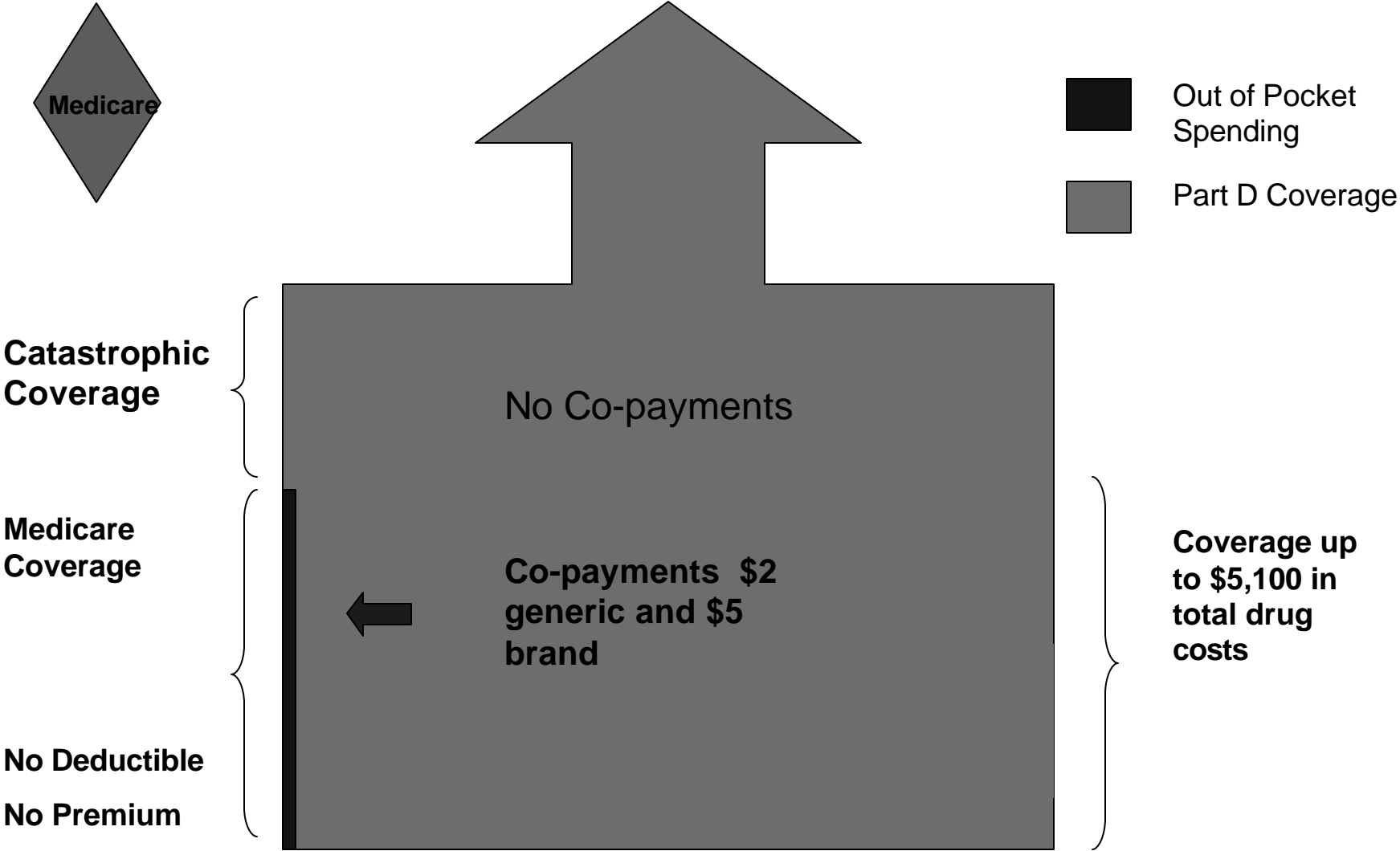
Medicare Part D Overview

Low-Income Subsidies



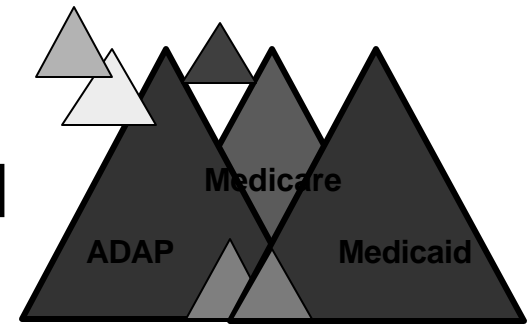
- Individuals with incomes below 135% of Federal Poverty (\$12,920)
 - Individuals need to apply for Part D and “extra help” separately
 - Asset test \$7,500 (individual) and \$12,000 (couple)
 - No premium or deductible
 - No donut-hole
 - Co-payment: \$2 (generics) \$5 (brands)

Low Income Subsidy Out of Pocket Spending <135% FPL



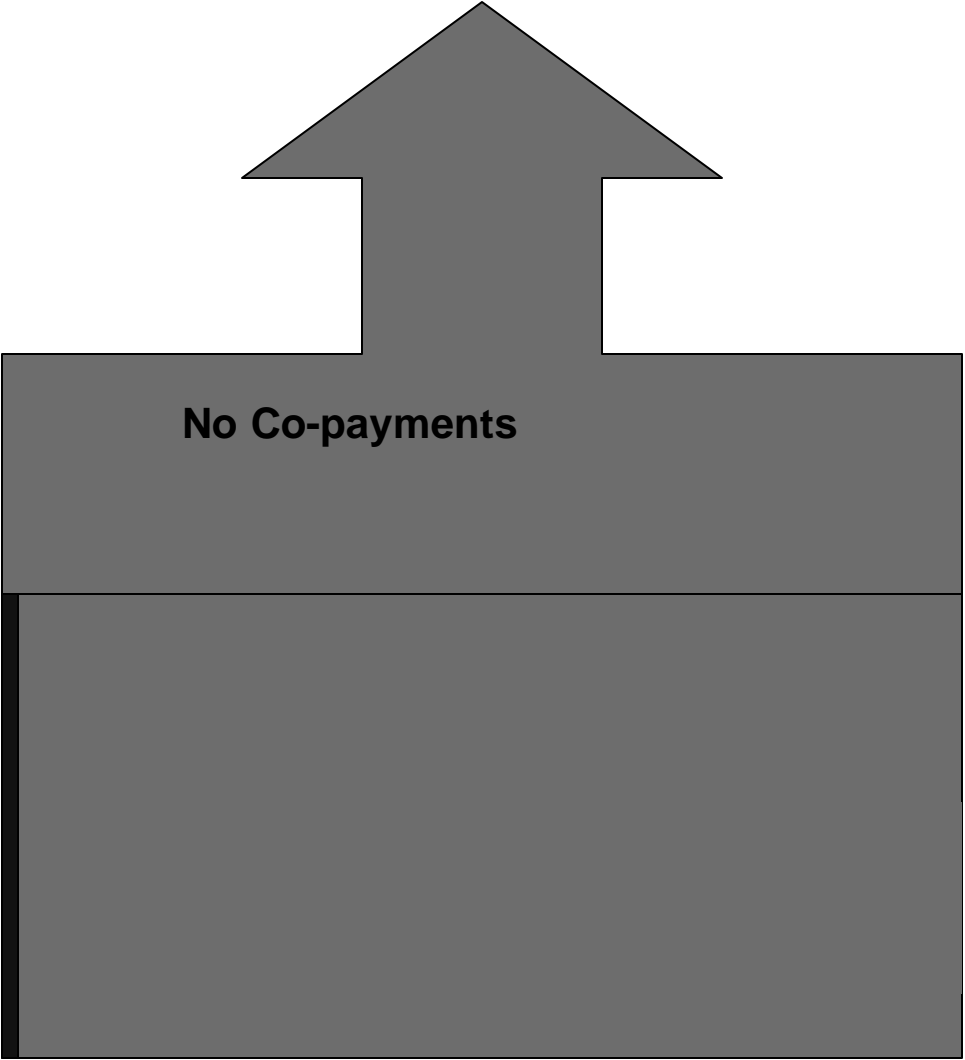
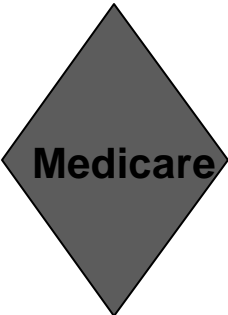
Medicare Part D Overview

Dual Eligible (Medicare and Medicaid Coverage)



- On January 1, 2006 Medicare replaces Medicaid drug coverage for duals-eligible beneficiaries (those with Medicaid and Medicare, known as “duals”)
 - Dual Eligible beneficiaries will be automatically enrolled in Medicare Part D and automatically assigned to a Prescription Drug Plan this fall and can change plans each month
- Dual Eligible individuals will have the best level of the low income subsidy:
 - No premiums
 - No deductibles
 - No donut hole
 - Lower co-payments:
 - below 100% FPL pay \$1/\$3,
 - 100% - 135% of FPL pay \$2/\$5
 - \$0 Co-payments when drug costs reach Catastrophic Coverage

Dual Eligible (Medicare and Medicaid Coverage)

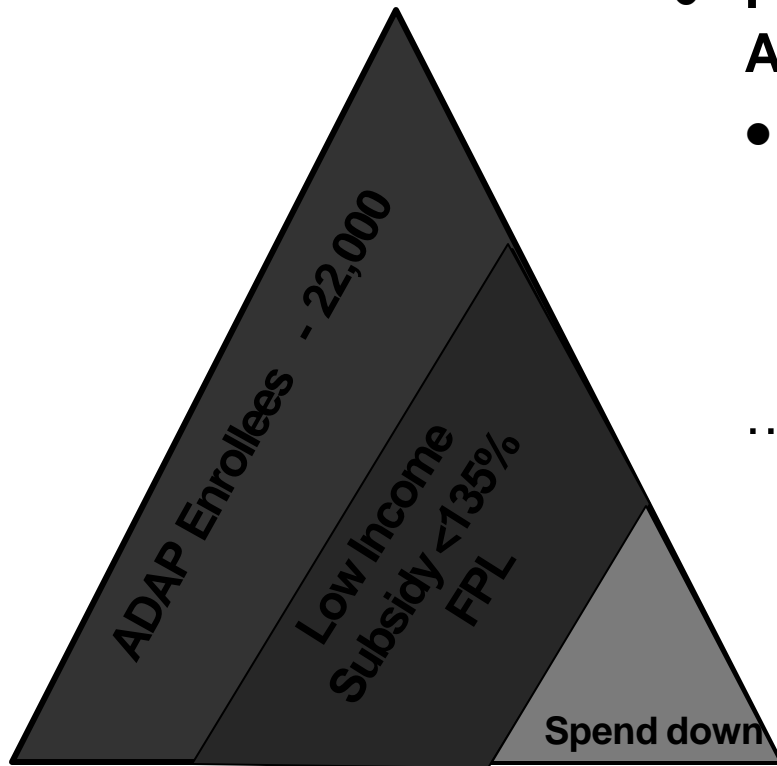
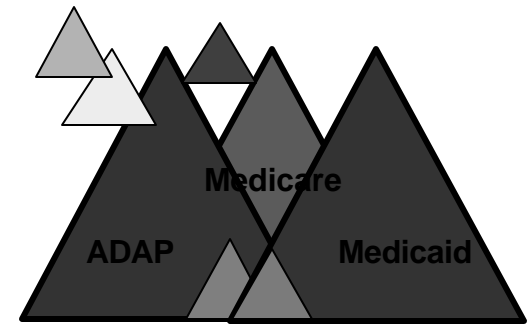


- Out of Pocket Spending
- Part D Coverage

Catastrophic Coverage - \$5,100 in total drug costs

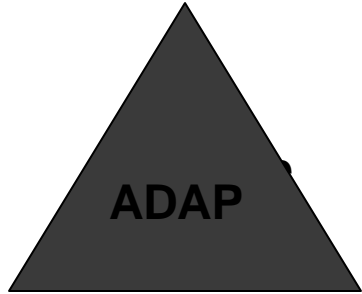
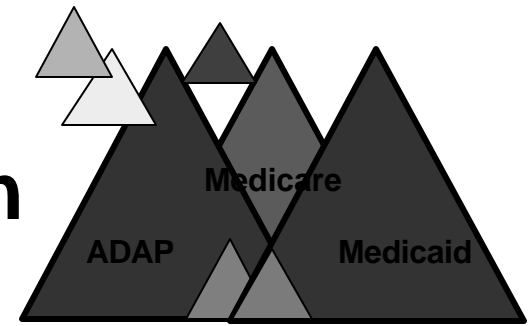
Co-payments \$1 generic and \$3 brand

ADAP – Part D Impact



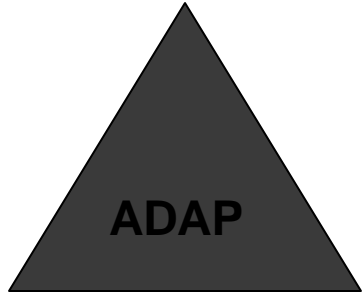
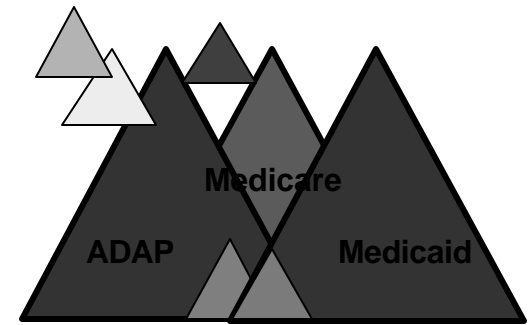
- **People with Medicaid Spend-down and ADAP**
 - Medicare will consider anyone who meets their Spend-down...
 - During the Fall of 2005
 - Or during their first benefit month of 2006
 - ...Dually eligible (Medicaid/Medicare) for the full year
 - If met in the Fall of 2005 they will be auto enrolled into a PDP and will not have to apply for a low income subsidy

Medicare Part D Drug Benefit ADAP and Ryan White Intersection



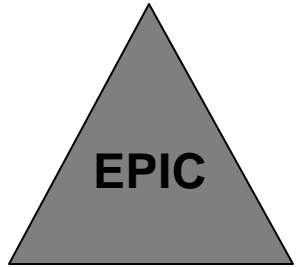
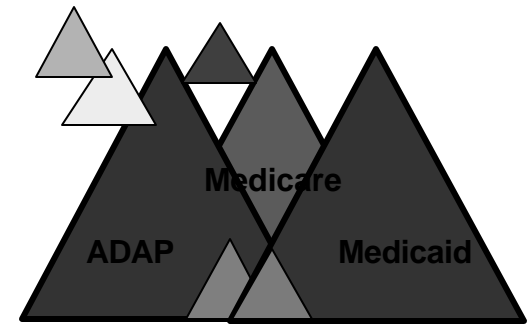
- Federal Ryan White (RW) dollars can be used to meet cost sharing requirements
- RW dollars can be used to pay the cost of premiums, deductibles and co-payments
- Enrollment in Part D is required for people also enrolled in ADAP

ADAP – Part D Impact

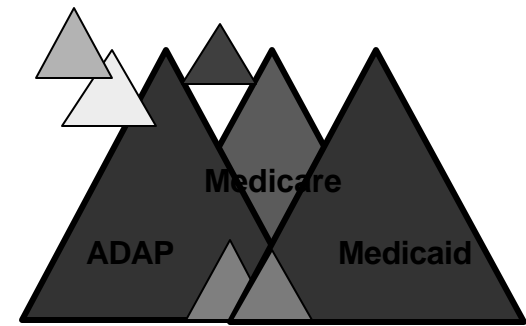


- Low income < 135% of FPL but not Medicaid eligible:
 - Will have access to a more comprehensive formulary through Medicare Part D
 - Will need to apply for the low income subsidy – except dual eligible Spend-down recipients
 - Will need to pick a plan (PDP)
 - Will not know plan formularies until early Fall
 - Accessing medications will be more complicated

EPIC – Elderly Pharmaceutical Insurance Coverage

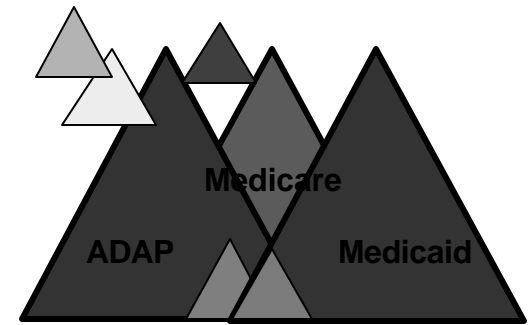


- Serves low/moderate income people over 65
- EPIC is a State Pharmaceutical Assistance Program (SPAP)
- A SPAP can meet the out-of-pocket costs associated with Medicare Part D
- ADAP Enrollees who are over 65 may be able to get help with out-of-pocket costs by enrolling in EPIC



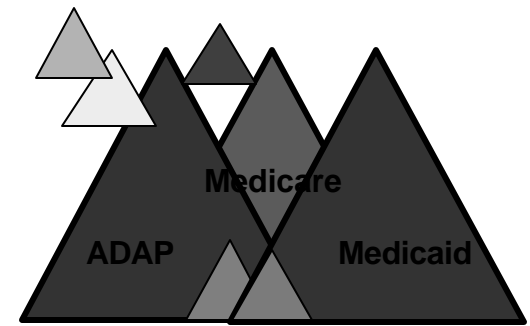
What are some of the issues HIV+
New Yorkers have to consider when
enrolling in Part D?

Medicare Drug Coverage – Formularies and Drug Plans



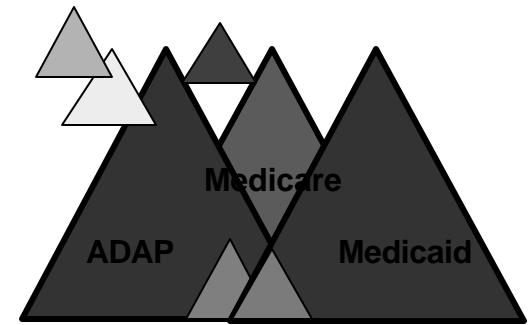
- The Centers for Medicare and Medicaid Services (CMS) requires that “all or substantially all” drugs in the antidepressant, antipsychotic, anticonvulsant, anticancer, HIV/AIDS and immunosuppressant categories be included on plan formularies (including generics and older branded drugs)
- Plans can implement all cost containment tools used by commercial insurance, prior approval, tiered drug coverage, formularies etc. HOWEVER, plans cannot use prior authorization or step therapy for HIV/AIDS Rx, except for Fuzeon
- Formulary Review will be conducted by CMS – no plan (PDP) will be allowed to participate in Part D whose formulary would deter someone with a particular illness from enrolling
- Plans not required to cover drugs for off-label use

Medicare Part D - Issues and Challenges For People With HIV/AIDS



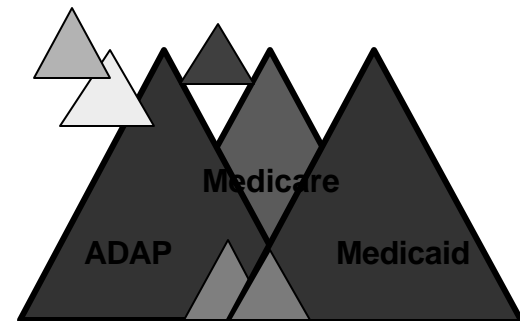
- **Assessment** What are the most important factors that will determine which plan is best for me? Can I get these questions answered?
- **Affordability** What are all of the costs I will be expected to pay (premiums, deductibles, co-payments, payment for non-formulary drugs, excluded drugs)? Can I afford these costs? How do different plan options compare?
- **Access** to needed drugs: What are the drugs/types of drugs I need (or will likely need)? Which plans cover these drugs?
- **Appeals** If I run into a problem, do I know where to turn for help? If I'm told my plan won't pay for a drug I need, do I know what to do? Do I know the steps to take to fight for my coverage?

Assessment



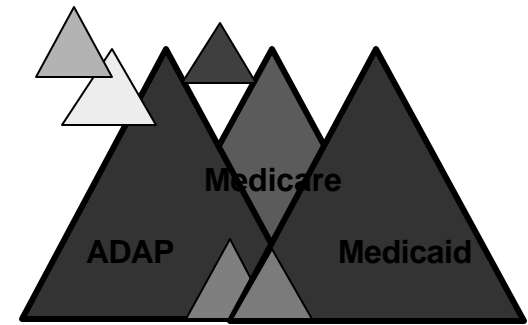
- Should I enroll? Should I just stick to my current drug coverage?
 - “Creditable coverage” – considered equal to Part D
 - 1% monthly penalty
- If I am auto-enrolled, what are my plan options?
 - Duals must be in an “average cost plan” or pay additional premium; how will they be contacted and assisted with plan comparison and evaluation, potential disenrollment and reenrollment?
- If I am choosing to enroll in a plan, how do I do it? How do I get “extra help?”
 - Enrollment for Part D begins in October; enrollment for extra help has begun. Can enroll by mail, on-line, or by phone
 - Except for duals, enrollees can only change plans once a year

Affordability



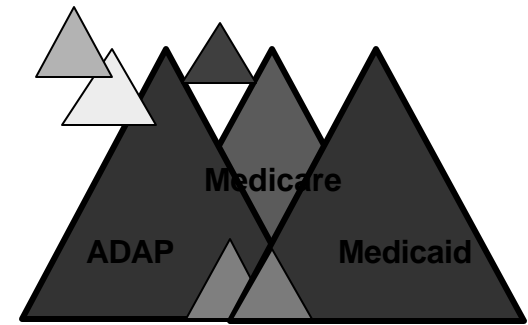
- How do the plans compare by cost?
- What kind of help may I be eligible for?
 - Dual-eligibles, low-income subsidy (“extra help”), Medicare Savings Programs (MSPs), ADAP
- What are my out-of-pocket expenses? Will I hit the “doughnut hole?”
 - Premiums, deductibles, co-payments, payment for non-formulary drugs, excluded drugs
- How will all the programs I use fit together and help me with expenses?
 - Medicaid will be wrapping around Part D for duals in NYS
 - ADAP will help meet spend-down and those individuals will be auto-enrolled in Part D as dual eligibles
 - Unclear how Part D and direct pay insurance will work together
 - Over 65 positive New Yorkers can turn to EPIC for help

Access



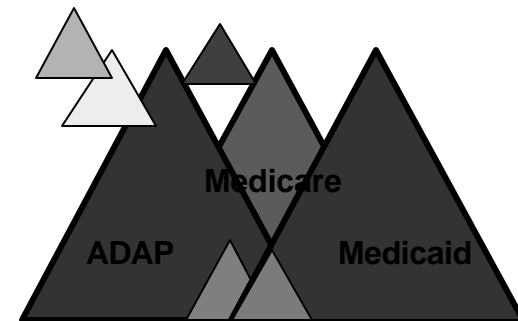
- What drugs will my plan cover?
 - CMS requires that “all or substantially all” drugs in the antidepressant, antipsychotic, anticonvulsant, anticancer, HIV/AIDS and immunosuppressant categories be included on plan formularies (including generics and older branded drugs)
 - CMS will require all ARVs to be included on plan formularies
 - Plans not required to cover drugs for off-label use
- Will drugs stay on my formulary?
 - Plans can make formulary changes at any time; 60 day notice required
 - Enrollee can file an exception to keep drug; plan not required to grant exception following year
- What about changing drug regimens?

Appeals



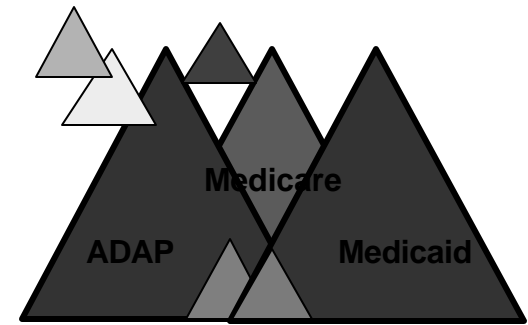
- Process to appeal a plan decision may vary from plan to plan
- May appeal drug not on formulary only if provider determines no other formulary drug as effective and/or adverse affects
- Standard appeal – 72 hours
- Expedited appeal – 24 hours to provider; must be initiated and/or supported by provider
- Emergency supply of meds not required
- Appointed rep, including provider, allowed to file on behalf of beneficiary

Timeline



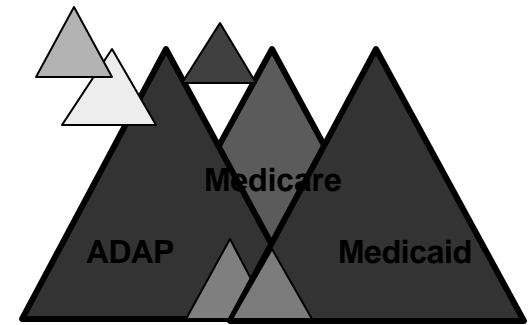
- In May, CMS notified duals, SSI recipients, and Medicare Savings Program (MSPs) enrollees of changes to drug plan and their eligibility for “extra help”
- Drug plan formularies will be unveiled in mid-October; New York State expected to have several plans participating
- CMS begins auto-assigning dual eligibles to a Part D plan in October
- Drug benefit begins on 1/1/06. Individuals have until May to pick a plan without penalty

Now What? Individual-level advocacy strategies



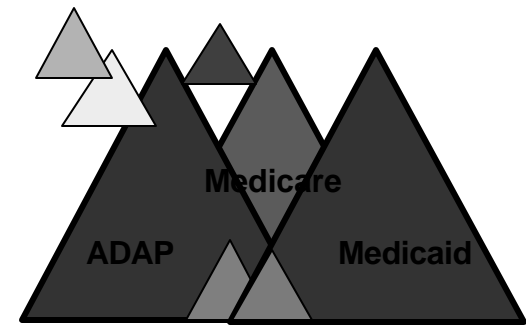
- For Medicare enrollees:
 - Keep all material sent to you from CMS, SSA, Medicaid and ADAP. If you are unclear about what it says, show to a counselor/case manager
- For case managers:
 - Talk with colleagues about the new benefit
 - Send notices about Part D out in newsletters and mailings
 - Prep for direct client advocacy by planning internal trainings for your organization
 - Be ready to help clients when the formularies are made public in October
 - Learn about appeals and exception processes for each plan

Now What? Policy advocacy strategies



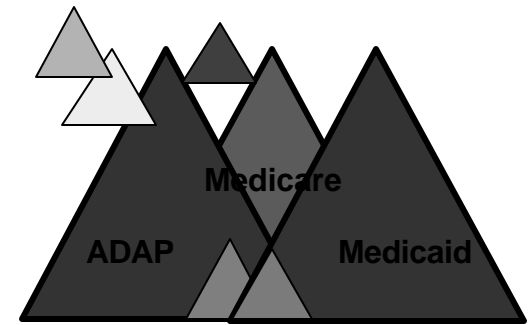
- We may be stuck with Part D, but there are things we can still advocate for:
 - State and federal funding for community-based organizations who will be counseling PWAs
 - State and federal personnel for staff trainings
 - A Medicaid wrap around for Part D in law
 - Dual eligible exemption from the state PDL
 - Information on plans and beneficiary choices NOW, not at the eleventh hour
- Groups on the federal level working on HIV policy work: developing materials, working on bills, pressuring administrators
- Groups on the state level working on education and outreach and most of them have listservs
- Talk to elected officials about effects of program on you, your clients or those you care for

Medicare Part D Summary



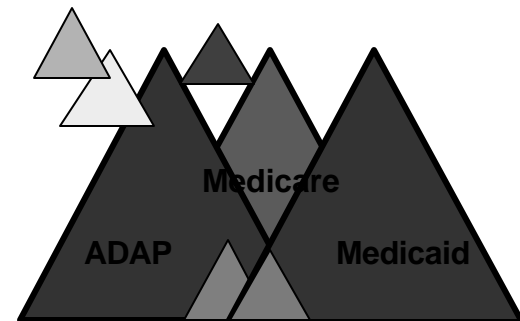
- All Medicare beneficiaries will now have access to a pharmacy benefit through Part D beginning 1/1/06; however, out-of-pocket expenses and plan choices depend on one's income
- Dual-eligible and low income individuals will have extra help paying for the benefit; Medicaid/Medicare enrollees must enroll in Part D
- Higher income individuals with ADAP will have access to lower cost drugs not covered by ADAP
- Medicare eligible New Yorkers who are not eligible for Medicaid, ADAP or any other drug assistance program must decide whether Part D is right for them

Medicare Part D Summary (cont.)



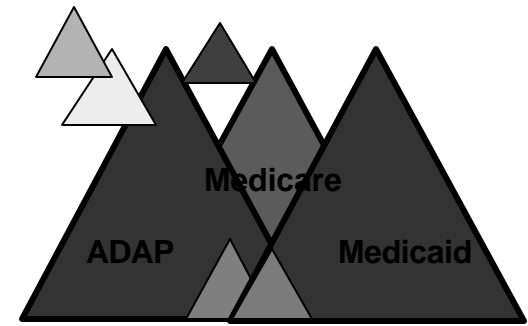
- All ARV's will be covered by all Part D plans, but there is no assurance that they will be covered at the least expensive cost share option
- Dual-eligible individuals may use Medicaid to “wrap” around Part D for drugs not covered on formulary; unclear how this will work
- ADAP participants must apply for Medicare Part D and enroll in a PDP; ADAP will pay the out of pocket costs associated with participation in Medicare Part D

Guide to new Medicare Acronyms



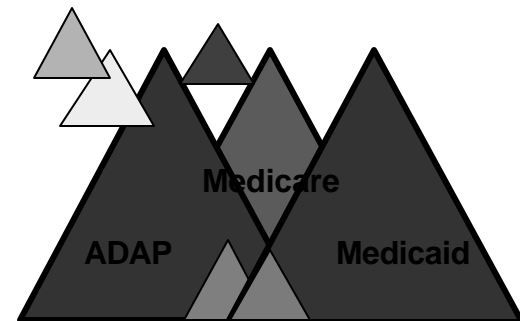
- MMA = Medicare Modernization Act
- SSA = Social Security Administration
- CMS = Centers For Medicare & Medicaid Services
- Part D = the section of the MMA that establishes a Medicare Drug benefit
- Duals = People who are eligible for both Medicare AND Medicaid
- Low Income Subsidies (LIS) a.k.a “extra help” for those individuals have income less than 150% of Federal Poverty Level

Guide to new Medicare Acronyms (continued)



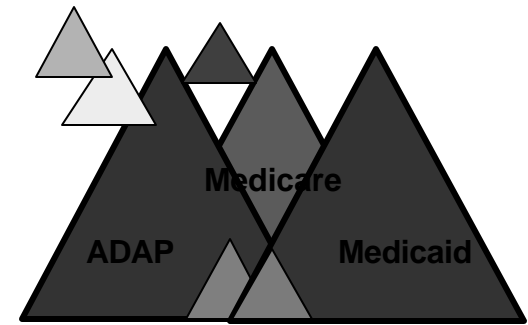
- Standard Benefit = available to higher income individuals (above 150% FPL) with higher cost sharing
- OOP = Out of Pocket expenditures, these are the costs the person will have to pay to access the Medicare Drug Benefit
- TrOOP = True Out of Pocket expenditures = costs paid by the individual that count toward costs necessary to reach catastrophic coverage

Guide to new Medicare Acronyms (continued)



- SPAP (State Pharmaceutical Assistance Program) = a program that is eligible to assist enrollees in meeting TrOOP's and other out of pocket costs.
- EPIC = Elderly Pharmaceutical Insurance Coverage Program, the only SPAP in NYS
- PDP's = Prescription Drug Plan
- MA-PD's = Medicare Advantage (managed care plans – these plans also cover primary care services) and also cover drugs through Part D

Medicare resources and networks: who to call

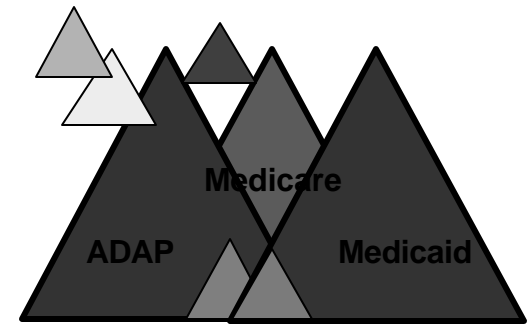


**For information on Medicare Part D call:
1-800-MEDICARE
(TTY 1-877-486-2048)**

**To enroll in “extra help” call Social Security:
1-800-772-1213
(TTY)1-800-325-0778**

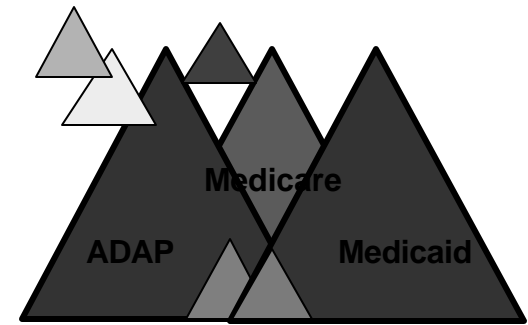
**For answers to HIV-specific, Part D questions call the
GMHC Part D hotline Mondays from 2:00 - 5:30 at:
212-367-1136**

Medicare resources and networks online



- **Center for Medicare and Medicaid Services (CMS)**
 - www.medicare.gov
 - <http://www.cms.hhs.gov/medicare/>
 - Michael.Melendez@cms.hhs.gov
- **Medicare Rights Center**
 - www.medicarerights.org
- **Health Resources and Services Administration (HRSA)**
 - www.hrsa.gov/medicare/HIV/about.htm
- **Kaiser Family Foundation**
 - www.kff.org/medicare
- **Center for Medicare Advocacy**
 - www.medicareadvocacy.org
- **HIV Medicine Association**
 - www.hivma.org

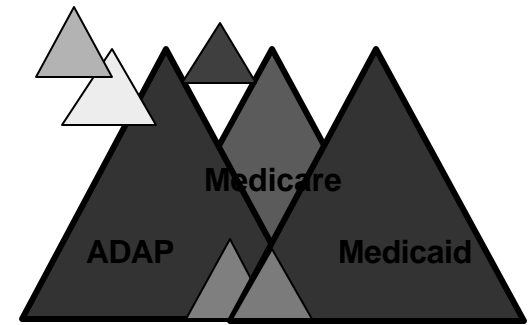
Medicare resources and networks (cont'd)



- **Treatment Action Network**
 - TAN@projectinform.org
- **Families USA**
 - www.familiesusa.org
- **New York AIDS Coalition**
 - www.nyaidscoalition.org
- **Gay Men's Health Crisis GMHC HIV/Medicare Part D Network**
 - **Laura Caruso** laurac@gmhc.org
 - **Nancy Ordover** nancyo@gmhc.org

Thank you to the HIV Medicaid and Medicare Working Group for providing some of the information included in this presentation.

Contact us



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