Medicare Part D – 2015

It’s a Piece of Cake

Semanthie B. Brooks
Community Advocacy
Lee Fisher

Medicare and Benefits Enrollment Center
HE DIED FROM AN OVERDOSE OF MEDICARE PRESCRIPTION DRUG CONFUSION.
…”that prescription drugs are sometimes covered under Part A

- Part A generally pays for all drugs during a covered inpatient stay
  - In hospital or skilled nursing facility (SNF)
    - Drugs received as part of treatment
  - Hospice***
    - Drugs for symptom control and pain relief only
…”that some prescription drugs are covered under Part B

• Part B covers limited outpatient drugs
  • Injectable and infusible drugs that are
    • Not usually self-administered, and
    • Administered as part of a physician service
  • Administered through Part B-covered Durable Medicare Equipment (DME)
    • Such as nebulizers and infusion pumps
    • Only when used with DME in your home
Part B Prescription Drug Coverage

• Part B covers limited outpatient drugs (cont’d)
  • Some oral drugs with special coverage requirements
    • Anti-cancer drugs
    • Anti-emetic drugs
    • Immunosuppressive drugs, under certain circumstances
  • Certain immunizations
    • Flu shot
    • Pneumococcal pneumonia vaccine
Prescription Drug Coverage and Observational Status

• Generally doesn’t cover self-administered drugs in hospital outpatient setting
  • Unless required for hospital services you’re receiving

• If enrolled in Part D, drugs may be covered
  • If not admitted to hospital
  • May have to pay and submit for reimbursement
…”that most prescription drugs are covered under Part D

• Prescription drug plans approved by Medicare
• Run by private companies
• Available to everyone with Medicare
• Must be enrolled in a plan to get coverage
• Two sources of coverage
  • Medicare Prescription Drug Plans (PDPs)
  • Medicare Advantage Plans with Rx coverage (MA-PDs)
    • And other Medicare health plans with Rx coverage
Max has a Part D plan. He recently got prescription drugs during a Medicare-covered stay at a skilled nursing facility. Will Medicare pay for his prescription drugs? Which part of Medicare?

A. No
B. Yes, Part A
C. Yes, Part B
D. Yes, Part D
Check Your Knowledge – Ques. 1

Answer B - Yes, Part A

Medicare Part A will pay for the prescription drugs Max got during his inpatient stay at an SNF if they are medically necessary. Medicare Part A payments made to hospitals and SNFs generally cover all drugs provided during an inpatient stay.
Check Your Knowledge – Ques. 2

Which of these vaccines is NOT covered under Medicare Part B?

A. Flu Shot
B. Shingles Shot
C. Hepatitis B Shot
D. Pneumococcal Shot (to prevent pneumonia)
Check Your Knowledge – Ques. 2

Answer B - Shingles Shot

Part B covers certain immunizations, including the flu virus vaccine, pneumonia vaccine, Hep B and tetanus (when you get it to treat an injury or if you’ve been exposed directly to a disease or condition. Generally, Medicare drug plans cover other vaccines (like the shingles) needed to prevent illness.
The prescription you gave me doesn't seem to be controlling my blood pressure.

Don't look at me. Your health insurance prescription plan only covers placebos.
Formulary

- A list of prescription drugs covered by the plan
- May have tiers that cost different amounts

## Tier Structure Example

<table>
<thead>
<tr>
<th>Tier</th>
<th>You Pay</th>
<th>Drugs Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lowest copayment</td>
<td>Preferred Generics</td>
</tr>
<tr>
<td>2</td>
<td>Low/Medium copayment</td>
<td>Non-preferred generics</td>
</tr>
<tr>
<td>3</td>
<td>Medium copayment</td>
<td>Preferred brand-name</td>
</tr>
<tr>
<td>4</td>
<td>High copayment</td>
<td>Non-preferred brand-name</td>
</tr>
<tr>
<td>5</td>
<td>Highest copayment or coinsurance</td>
<td>Unique, very high-cost</td>
</tr>
</tbody>
</table>

(Specialty)
Formulary Changes

• Plans may change categories and classes
  • Only at beginning of each plan year
  • May make maintenance changes during year
    • e.g., replacing brand-name drug with new generic
• Plan usually must notify you 60 days before changes
  • May be able to use drug until end of calendar year
  • May ask for exception if other drugs don’t work
• Plans may remove drugs withdrawn from market without 60-day notification
# Rules Plans Use to Manage Access to Drugs

| Prior Authorization | ▪ Doctor must contact plan for prior approval before drug will be covered  
<table>
<thead>
<tr>
<th></th>
<th>• Must show medical necessity for drug</th>
</tr>
</thead>
</table>
| Step Therapy        | ▪ Type of prior authorization            
|                     | ▪ Must first try similar, less expensive drug  
|                     | ▪ Doctor may request an exception if  
|                     |   • Similar, less expensive drug didn’t work, or  
|                     |   • Step therapy drug is medically necessary |
| Quantity Limits     | ▪ Plan may limit drug quantities over a period of time for safety and/or cost  
|                     | ▪ Doctor may request an exception if additional amount is medically necessary |

CMS National Training 2014
Required Coverage

• All drugs in 6 protected categories
  • Cancer medications
  • HIV/AIDS treatments
  • Antidepressants
  • Antipsychotic medications
  • Anticonvulsive treatments
  • Immunosuppressants

• All commercially-available vaccines
  • Except those covered under Part B (e.g., flu shot)
Barbiturate Coverage

• Prior to 2013, barbiturates and benzodiazepines were excluded from coverage under Part D

• In 2013, Part D-covered benzodiazepines and those barbiturates used for the treatment of epilepsy, cancer, or chronic mental health disorders

• Effective January 1, 2014, barbiturates are covered under Part D for any medically accepted indication.
Drugs Excluded by Law Under Part D

- Drugs for Anorexia, weight loss, or weight gain
- Erectile dysfunction drugs when used for the treatment of sexual or erectile dysfunction
- Fertility drugs
- Drugs for cosmetic or lifestyle purposes
- Drugs for symptomatic relief of coughs and colds
- Prescription vitamin and mineral products
- Non-prescription drugs
Strategy to Combat Part D Fraud and Abuse

- Key provisions in the CY 2015 final rule
  - For policy and technical changes to the MA and PD Program
    - Requires prescribers of Part D to enroll in Medicare
    - Permits revocation of Medicare enrollment for abusive prescribing practices and patterns
    - Gives all part D sponsors ability to request/collect information directly from pharmacy benefit managers
    - Requires MA Plans and PD sponsors to report and return identified Medicare overpayments

CMS National Training 2014
Open Enrollment…for 2015

• Starts – Wednesday, October 15, 2014
• Ends – Sunday, December 7, 2014
• Coverage Begins – January 1, 2015
What’s next...

» Annual Notice of Change (ANOC)

> Notice mailed by September 30, 2014

• How will the plan’s formulary change
  – Drugs added
  – Drugs removed
  – Preferred Pharmacy

• Will the premium go up or down
  – Can you still afford the cost
  – Does the plan still qualify for the full-LIS premium subsidy

• Will the deductible go up or down
  – Can you afford the cost

• Medication cost sharing (tiered co-payment)
• If you received an exception to add drugs to your formulary
  – Are you still taking the drug
  – Do you need to re-apply for the exception

• Preferred Pharmacy

• Transition coverage
# Important Letters & Dates

<table>
<thead>
<tr>
<th>Month of Sept</th>
<th><strong>GREY</strong> notice mailed to those losing deemed status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Sept 30</td>
<td>Annual Notice of Change</td>
</tr>
<tr>
<td></td>
<td>Plans notify enrollees of their LIS status and amount of help</td>
</tr>
<tr>
<td>Week of Oct 15</td>
<td>Enrollment for 2015 begins</td>
</tr>
<tr>
<td>Mid / late Oct</td>
<td><strong>Blue ACA (formulary differences)</strong> notice mailed</td>
</tr>
<tr>
<td>Late Oct</td>
<td>Initial <strong>Blue PDP Reassignment</strong> notice mailed</td>
</tr>
<tr>
<td>Late Oct</td>
<td><strong>Consumers informed of a consistently poor performing plan and encouraged to look at other plans</strong></td>
</tr>
<tr>
<td>Week of early Nov</td>
<td><strong>Tan Choosers</strong> notice mailed</td>
</tr>
</tbody>
</table>
What’s new with Part D

• National average monthly premium cost for prescription drug coverage is $41.34
  
  • In Ohio the average cost is $39.29
What’s new with Part D Nationally

• Many people will need to switch Medicare Part D plans or pay higher 2015 premiums
  • Around 70% of seniors and other Medicare beneficiaries can expect to see an increase (66% in Ohio)
    • Average monthly increase of around $6.64 ($7.05 in Ohio)
• Fewer stand-alone Medicare Part D plan choices in 2015
  • Average of 29 stand-alone Medicare Part D plans will be available in each state as compared to the 34 in 2014 (31 plans in Ohio)
• Most 2015 Medicare Part D plans will have an Initial Deductible
  • Less than half (42%) of all 2015 stand-alone Medicare Part D plans will offer a $0 initial deductible
• More 2015 Part D plans will offer Gap or Donut Hole coverage
  • Approximately 26% of all 2015 Medicare Part D plans are offering some form of drug coverage in the Donut Hole.
What’s new with Part D in Ohio

- 2015 Ohio Plans
  - PDPs = 31
    - Cost ranges from $15.60 - $114.00

  9 Plans will offer coverage in the gap

  22 Plans have no gap coverage

  13 Plans have a $0 deductible

  14 Plans have a deductible of $320

  4 Plans have a deductible ranging from $50 - $240

NOTE: Express Scripts has been sanctioned which means they cannot enroll new members or accept auto-enrollments; current members may continue to receive benefits through the plan.
National PDP Providers

• Aetna, Inc.  (Offers an LIS plan nationally)
• CIGNA
• CVS Health
• Envision Pharmaceutical Holding, Inc.
• Express Scripts Holding Company
• Humana Inc.
• Torchmark Corp.
• UnitedHealth Group, Inc.

NOTE: Wellpoint, which was national in 2014, is no longer offered nationally in 2015
Test Your Knowledge Ques. 3

Which of the following drugs are NOT covered by Medicare Part D?

A. Prescription vitamin and mineral products.
B. Insulin
C. Cancer medications
D. Barbiturates and benzodiazepines
Test Your Knowledge Ques. 3

Answer: A – Prescription vitamin and mineral products

Prescription vitamins and mineral products (except prenatal vitamins and fluoride preparations) are not covered by Medicare Part D. However, Medicare drug plans may choose to cover excluded drugs at their own cost or share the cost with the benny.
Test Your Knowledge – Ques. 4

For a prescription brand-name and generic drugs to be covered by a Medicare drug plan, they must be

A. Approved by the Food and Drug Administration
B. Used and sold in the United States
C. Used for medically-accepted indications
D. All of the above
Test Your Knowledge – Ques. 4

Answer: D – All of the above

Medicare drug plans cover generic and brand-names drugs. To be covered by Medicare, a drug must be available only by prescription, approved by the FDA, used and sold in the US, and used for a medically accepted indication.
## 2015 Standard Drug Benefit

<table>
<thead>
<tr>
<th>Cost</th>
<th>Beneficiary Pays</th>
<th>Part D Plan Pays</th>
<th>Spending on Part D Plan-Covered Drugs</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly Deductible</td>
<td>$320</td>
<td>$0</td>
<td>$320</td>
<td></td>
</tr>
<tr>
<td>Initial Coverage Period</td>
<td>$660</td>
<td>$1980</td>
<td>$2,960</td>
<td>Cost-Sharing between plan and beneficiary (75% of price negotiated by the plan paid by the plan/25% paid by the beneficiary until the Initial Coverage Limit; Start of Coverage Gap)</td>
</tr>
<tr>
<td>Coverage Gap</td>
<td>$3,720 (Beneficiary pays $1,638*)</td>
<td>**</td>
<td></td>
<td>Doughnut Hole</td>
</tr>
<tr>
<td>Out-of-pocket Threshold</td>
<td>$4,700</td>
<td>$1980</td>
<td>$6680</td>
<td>End of Coverage Gap; Start Catastrophic Coverage</td>
</tr>
</tbody>
</table>
Medicare's Basic Benefit: Besides the monthly premium, you pay...

- $320 Annual Deductible (You pay 100%)
- After the deductible, you pay about 25% of Rx costs between $320 and $2,960 (about $660).
- You reach the $2,960 drug coverage limit - you're headed for the Doughnut Hole.
- Your drug costs have reached $6,680 and coverage begins again. (You pay 5%, or $2.65 for generics and $6.60 for brand-names, whichever is greater.)

Before the Affordable Care Act:
You paid 100% out-of-pocket while in the Doughnut Hole.

After the Affordable Care Act:
In 2015, you save 55% on brand-name drugs and 35% on generics while in the Doughnut Hole.

Need help paying for drugs? You may be eligible for Extra Help. Visit www.benefitsofsup.org or www.ssa.gov/prescriptionhelp to apply.

For more information, visit the National Council on Aging at www.ncoa.org.

Special thanks to FamiliesUSA (www.familiesusa.org) for giving us permission to use and adapt this graphic.
Who should enroll in Medicare Part D?

• Medicare beneficiaries with no prescription drug coverage and who do not qualify for the LIS
  – Penalty still applies

• Income is below $1,459 (single) $1,966(couple)/per month in 2014

• Beneficiaries with other prescription coverage should check with their benefit manager before switching

• People turning 65 before 1/1/15
Late Enrollment Penalty

- Higher premium if you wait to enroll
  - Additional 1% of base beneficiary premium
    - For each month eligible and not enrolled
    - For as long as you have Medicare drug coverage
  - National base beneficiary premium
    - $41.34 in 2015
    - May change each year
- Except if you had creditable drug coverage or get Extra Help
Strategies to help people in the gap

- 2015 cost of name brand drugs in the donut hole will be discounted 55%
  - Co-insurance for generic drugs will be reduced by 35%
- Apply for LIS (people who qualify for LIS have no coverage gap)
- Switch to generic drugs (if possible)
- Get free samples from your doctor
- Apply for assistance from a co-pay foundation
- Contact the free clinic
- Apply for PAP
- Sign up for a drug discount card (Golden Buckeye/Ohio’s Best Rx)
- If in a health crisis, go to the hospital emergency room

Access to Benefits Coalition
"Are there any side effects to these pills apart from bankruptcy?"
Low Income Subsidy provides assistance with Medicare prescription drug (Part D) plan costs for people with limited income and assets.
LIS Benefits

• Significantly reduces costs
  • Lower copays
  • Lower monthly premiums
  • No gap (donut hole)

• Can change plans ANY time
### Qualifying for Extra Help

<table>
<thead>
<tr>
<th>People with Medicare and...</th>
<th>Basis for Qualifying</th>
<th>Data Source</th>
<th>Enrollment</th>
</tr>
</thead>
</table>
| Full Medicaid benefits      | Automatically qualify | State Medicaid agency | Automatic enrollment in a PDP  
  - Letter on yellow paper  
  - Coverage starts 1st month eligible for Medicare and Medicaid |
| Medicare Savings Program    |                      |             | Facilitated enrollment  
  - Letter on green paper  
  - Coverage starts 2 months after CMS receives notice of your eligibility |
| SSI benefits                |                      | Social Security |             |
| Limited income and resources| Must apply and qualify | Social Security (most) or state Medicaid agency | CMS National Training 2013 |
2014 Extra Help Income and Resource Limits

- **Income**
  - Below 150% of the Federal poverty level (FPL)
    - $1,459 per month for an individual, or
    - $1,966 per month for a married couple
    - Based on family size

- **Resources**
  - Up to $13,300 for an individual, or
  - Up to $26,580 for a married couple
    - Includes $1,500/person for funeral or burial expenses
    - Counts savings and investments
    - Doesn’t count home you live in
## 2015 Standard Drug Benefit

### Extra Help Copayments

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutionalized</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Receiving Home and Community-Based Services</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Up to or at 100% Federal Poverty Level (FPL)</td>
<td>$1.20/$3.60</td>
<td>$1.20/$3.60</td>
</tr>
<tr>
<td>Full Extra Help</td>
<td>$2.55/$6.35</td>
<td>$2.60/$6.60</td>
</tr>
<tr>
<td>Partial Extra Help (Deductible/Cost-Sharing)</td>
<td>$63/15%</td>
<td>$66/15%</td>
</tr>
</tbody>
</table>

CMS National Training 2014
What’s new with the LIS

• Average LIS benchmark in Ohio for 2015 is $28.64

• In order to avoid paying a premium or partial premium, low income beneficiaries may elect to enroll or remain enrolled in 1 of 8 LIS plans

• Plans that were on the 2014 premium-free list may not be on the 2015 list

• Information for the 2015 LIS plans was published on the Medicare.gov website on 9/18/14.
What's new with the LIS...**

<table>
<thead>
<tr>
<th>2015 Plan</th>
<th>2015 Monthly Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symphonix Rite Aid Value Rx</td>
<td>$29.80</td>
</tr>
<tr>
<td>SilverScript Choice</td>
<td>$21.70 (new)</td>
</tr>
<tr>
<td>Aetna Medicare Rx Saver</td>
<td>$23.10 (new)</td>
</tr>
<tr>
<td>Humana Preferred Rx</td>
<td>$27.60</td>
</tr>
<tr>
<td>AARP MedicareRx Saver Plus</td>
<td>$27.50</td>
</tr>
<tr>
<td>WellCare Classic</td>
<td>$28.60</td>
</tr>
<tr>
<td>EnvisionRxPlus Silver</td>
<td>29.40</td>
</tr>
<tr>
<td>SmartD Rx Saver***</td>
<td>25.80</td>
</tr>
</tbody>
</table>

*** SmartD RX Saver sanctioned in 2014 &2015
What’s new with the LIS...**

Plans not on the 2015 list of available plans for LIS beneficiaries to enroll that were available in 2014:

- $37.10  Advantage-Plus Meridian
- $30.80  Blue MedicareRx Standard
- $32.80  United American Select

**Aetna CVS/Pharmacy**
Members notified they will be “cross-walked” to Aetna Medicare Rx Saver

**HealthMarkets Value Rx**
Members notified that this plan did not renew its contract with Medicare
Redeeming and Redeterminations

• Those on Ohio’s Medicaid and MSP file or SSA’s SSI-only file for July or August are automatically “re-deemed” eligible for Extra Help/LIS for 2015
• Those not listed in the July or August files sent to CMS from states or SSA may NOT be deemed eligible for LIS for 2015
  – CMS has sent letters (grey colored paper) to these beneficiaries letting them know that they will no longer automatically receive LIS and what they can do.
Plan Finder

- [www.medicare.gov](http://www.medicare.gov)
- Best way to search for a Medicare Part D plan
- Get personalized information about the out-of-pocket costs you’d pay, tailored for your drugs and doses
- Compare plans side-by-side
- Compare plan costs at different pharmacies
- Make sure all which plans cover all of your drugs
- Look at utilization management for your drugs
- Estimate when you’d reach the donut hole
- Click and enroll
Plan Finder (cont’d)

Low-Performing Plans and the Medicare Plan Finder

• In a similar effort to promote informed and better choice of high-performing plans, Medicare is disabling the online enrollment feature in the Medicare Plan Finder (MPF) tool for plans that are low performing

  • 3 or fewer stars for three consecutive

    • Icon, along with a message warning consumers of the plan’s poorly rated performance (see sample below).

    • Beneficiaries still interested in enrolling will get another message letting them know they will need to call the plan directly to enroll.

⚠️ For three years in a row, the Medicare program has given this plan a low rating. If you are considering enrolling in this plan, look closely at the detailed rating for this plan.
Before Clicking the Enrollment Button

» Compare needed drugs to the drugs on the formulary
  > Prior authorization
  > Quantity limits
  > Step therapy

» Determine whether coverage is needed/provided in the donut hole
  > 2015 – 55% coverage in the donut hole for name brand drugs
  > 2015 – 35% discount on generics

» Compare annual cost
  > Premium
  > Deductibles
  > Co-pays

» Don’t assume that a deductible will make the plan more expensive

» Don’t assume that mail order is always less expensive

» If you travel, look for a national plan
What Happens After Enrollment?

• Notification
• Plan Summary
• Plan Formulary
• ID Card
• Pharmacy (network and preferred)
What’s a beneficiary to do???

» The pharmacist says you’re not enrolled in a plan
» Your medication cost is higher than expected
» The plan does not cover a new med prescribed by your doctor
» You have exceeded your quantity limit
» The plan says that you have to take a drug not prescribed by your doctor before they will pay for one prescribed by your MD…
Where to Get Info on Part D Plans

• Medicare’s website: [www.medicare.gov](http://www.medicare.gov)

• Call 1-800-MEDICARE (1-800-633-4227)
  – TTY 1-877-486-2048

• OSHIIP 1-800-686-1578
  (Ohio State Health Insurance Information Program)

• Benjamin Rose Call Center
  – 216.373.1650 or toll free 1.866.885.1650

• SSA website – [www.ssa.gov](http://www.ssa.gov)

• Social Security – 1-800-772-1213
ACA - 2015

Medicare

• Reduce Medicare payments to certain hospitals for hospital-acquired conditions by 1%. (Effective fiscal year 2015)
Questions???

"...and just when I had begin to understand Medicare, Part D."