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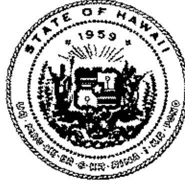

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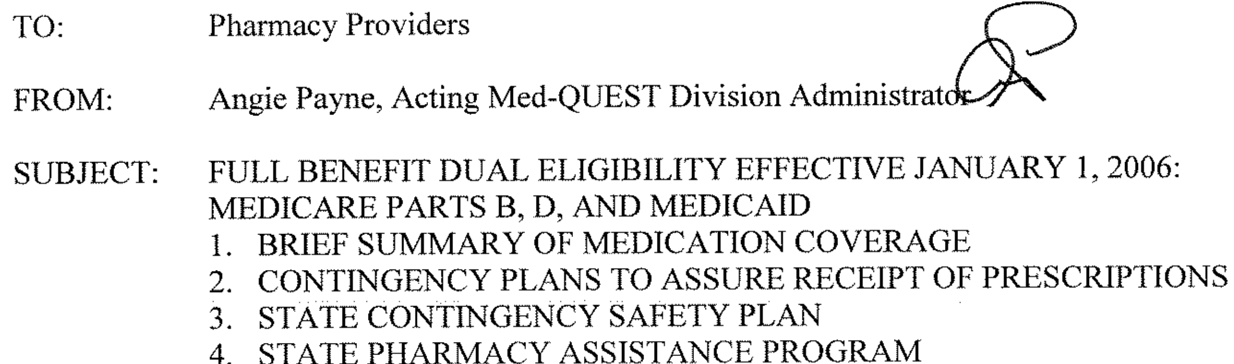

MEMORANDUM

ACS M05-12
[Issued and distributed by MQD]

TO: Pharmacy Providers

FROM: Angie Payne, Acting Med-QUEST Division Administrator

SUBJECT: FULL BENEFIT DUAL ELIGIBILITY EFFECTIVE JANUARY 1, 2006: MEDICARE PARTS B, D, AND MEDICAID
1. BRIEF SUMMARY OF MEDICATION COVERAGE
2. CONTINGENCY PLANS TO ASSURE RECEIPT OF PRESCRIPTIONS
3. STATE CONTINGENCY SAFETY PLAN
4. STATE PHARMACY ASSISTANCE PROGRAM

BRIEF SUMMARY OF MEDICATION COVERAGE

Medicare Part D Prescription Drug Plan (PDP) drug coverage begins January 1, 2006 for the recipients with Dual Eligibility (both Medicare and Medicaid). The processes described below will ensure seamless prescription drug coverage for all Dual Eligible recipients (Medicaid and Medicare).

IDENTIFYING PDP ENROLLMENT FOR DUAL ELGIBLES

Pharmacies have four ways of identifying PDP enrollment for individuals:

1. Ask the individual to present the yellow auto-assignment letter from Medicare identifying the plan to which they have been assigned;

2. Call the Medicare Pharmacy Line at (866) 835-7595. The Center for Medicare and Medicaid Services (CMS) customer service representatives are available to identify the beneficiary's

plan by providing some basic information. Pharmacists must identify themselves with their NCPDP Provider ID number and provide the following information to facilitate the inquiry: HIC #, Date of Birth, Beneficiary Name, Zip code, Part A or B effective date and gender. Upon completion of the search, the CMS call service representative will identify the drug plan name and, if requested, the effective date of Medicare coverage.

3. Submitting an E-1 (eligibility) query to the TrOOP facilitator This transaction will return the phone number of the plan to which the beneficiary has been assigned; or

4. Calling 1-800-MEDICARE (1-800-633-4227) available 24 hours/ 7 days a week.

MEDICATION COVERAGE AND BILLING HIERARCHY

Pharmacy coverage for Medicaid/Medicare eligible recipients is provided through multiple programs. The hierarchy continues to affirm that Medicaid is the payer of last resort. With the implementation of the new Medicare Part D Drug Benefit on January 1, 2006 a brief summary of medication coverage and payment responsibility is as follows:

A. When the drug is covered by Medicare Part B:

1. The physician's office must bill Medicare Part B for the drug using an appropriate Healthcare Common Procedure Coding System (HCPCS) code.

2. Medicare Part B pays for the drug.

3. Medicaid will continue to cover the Medicare Part B co-payment and applicable deductibles:

    a. Affiliated Computer Systems (ACS) Fiscal Agent (FA) accepts and reimburses the co-payment and applicable deductibles for Medicare Part B drug claims; and

    b. Claims for co-payment and applicable deductibles are accepted in two (2) ways:

        - Claims are "crossed over" electronically by Medicare Part B; or

        - The provider may submit a hard copy claim to Medicaid via ACS FA with an Explanation of Medicare Benefits (EOMB).

B. When the drug is covered by Medicare Part D:

1. The Medicare Prescription Drug Plan (PDP) is responsible for the claim;

2. Medicaid will NOT cover a prescription when the Medicare PDP is responsible for the therapeutic class.

C. A drug is covered by Medicaid when:

1. Medicare Part B is not responsible for coverage; AND

2. Medicare Part D is not responsible for the therapeutic class coverage; AND

3. It is on the list of Medicaid **Covered Drugs Excluded From Medicare Part D** (see Provider Memorandum 05-13).

D. Possible scenarios after January 1, 2006:

1. Example #1 - Haloperidol decanoate injection is administered in the doctor's office:

   a. Medicare Part B is responsible for drug coverage. Medicare Part B must be billed by the doctor's office for the drug using the HCPCS code;

   b. Medicaid is NOT responsible for any coverage.

2. Example #2 - Haloperidol decanoate injection is dispensed by a Pharmacy:

   a. The recipient's Medicare Part D plan must be billed using the appropriate Plan billing claim process.

   b. Medicaid is NOT responsible for drug coverage.

3. Example #3 - Oxycodone extended release tablets are dispensed:

   a. If the specific plan's formulary does not include oxycodone, as a preferred drug, the plan's exception process must be initiated, if the "First Fill" transition requirement used.

   b. Medicaid is NOT responsible for the coverage.

Reference:
http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/Downloads/PartBandPartDdoc_07.27.05.pdf. If you have any Medicaid pharmacy policy questions, please contact Dr. Lynette Honbo, Med-QUEST Division Medical Consultant, at (808) 692-8106 (voice) or (808) 692-8131 (fax).

CONTINGENCY PLANS TO ASSURE RECEIPT OF PRESCRIPTIONS

To ensure that all Dual Eligible (DE) clients receive their needed medications in the month of January, the CMS has provided two "transition" assistance processes to ensure an initial dispensing of prescriptions for persons who are in varying stages of PDP enrollment. In addition, the Hawaii Medicaid Program has also implemented a Contingency Plan to address exceptional situations yet unresolved by the Medicare Part D Drug Benefit. The processes are described below.

A. Dual Eligible (DE) Recipients Enrolled in a PDP

CMS requires that the Medicare Part D plans establish an appropriate transition process for all enrollees. The "First Fill" process allows the recipient to receive drugs not on the specific PDP's formulary and to allow for the required patient-pharmacist-doctor collaboration necessary to determine the continuity of the appropriate pharmaceutical agents. Through this process, in January, 2006, members enrolled in a PDP who present at a pharmacy with a prescription for a drug that is not on the PDP's formulary will be able to leave the pharmacy with a "First Fill" for that drug.

The appropriate PDP is responsible for the payment of the drug cost.

Individuals enrolled in the Hawaii State Pharmacy Assistance Program (SPAP) should not be charged the required Medicare Part D co-payments ($1 or $3). SPAP members can be identified through their presentation of an SPAP card or by calling the ACS PBM Help Desk 1-877-439-0803 for eligibility. Claims for the applicable co-payments are to be filed with ACS.

Pharmacy questions regarding this process may be directed to Valerie Ah Cook, Program Specialist at (808) 692-8070 or Alan Matsunami, Section Supervisor at (808) 692-8074 within the MQD Program and Policy Development Office (PPDO).

B. Dual Eligible Recipients who are not Enrolled in a PDP

The CMS Point-Of-Sale (POS) contingency plan is available for dual eligible beneficiaries who have not yet been enrolled into a Part D plan at the time they present a prescription to a pharmacy. The POS Contingency Plan enables a DE recipient, with evidence of both Medicaid and Medicare eligibility, who is not currently enrolled in a PDP, to receive their prescription drugs.

The POS Contingency Plan process does not apply to a DE who is only eligible as a Qualified Medicare Beneficiary (QMB), Specified Low Income Medicare Beneficiary (SLMB), or a Qualified Individual-1 (QI-1). The POS Contingency Plan is effective from 01/01/06 until further notice from CMS.

To access the POS Contingency Plan, the individual must provide evidence of Medicare eligibility, and show:

1. Evidence of Medicaid eligibility by:

    a. A Medicaid card ;

    b. Verified previous history of Medicaid billing in the pharmacy system patient profile;

    c. Call Automated Voice Response System (AVRS):1-800-882-4608 for Medicaid and Medicare eligibility; or

   d. Visiting the Med-QUEST website at: http://www.med-quest.us.

2. Evidence of Medicare Part A and/or B eligibility by:

   a. A Medicare card;

   b. A confirmation call to 1-800-MEDICARE (1-800-633-4227) available 24 hours/ 7 days a week;

   c. A confirmation call to the dedicated Medicare pharmacy line (1-866-835-7595) available Monday through Friday 8:00 a.m. to 8:00 p.m. EST; or

   d. A Medicare Summary Notice (MSN).

Individuals enrolled in the Hawaii SPAP should not be charged the required Medicare Part D co-payments ($1 or $3). SPAP members can be identified through their presentation of an SPAP card or by calling the ACS PBM Help Desk 1-877-439-0803 for eligibility. Claims for the applicable co-payments are to be filed with ACS.

Pharmacy questions regarding this process may be directed to Valerie Ah Cook, Program Specialist at (808) 692-8070 or Alan Matsunami, Section Supervisor at (808) 692-8074 within the MQD Program and Policy Development Office (PPDO).

Reference:
http://www.cms.hhs.gov/PrescriptionDrugCovGenIn

3. STATE CONTINGENCY SAFETY PLAN

The State has put into place a "safety net" process, **for the month of January only**, for those exceptional situations where Program participation, Plan enrollment, verification, or individual situations are not covered by the above Medicare Part D or CMS processes and places the Medicaid recipient at risk of having to pay all applicable deductibles, drug cost, co-insurance and co-payments in order to obtain a prescription. These situations leave the individual financially responsible with costs they cannot bear as a result of the Medicare Part D implementation. The purpose of this provision is to enable the recipient to leave the pharmacy with his/her drugs by paying only what would otherwise have been their responsibility if proper information/coverage had been available.

There are several circumstances that might cause a dual-eligible, Low Income Subsidy (LIS) recipient to not yet have been properly processed for the Medicare Part D benefit by CMS.

Some of these circumstances are:

- The recipient has not yet been enrolled in a PDP;
- The recipient was enrolled in a plan that does not cover drugs or is not operating in Hawaii;
- The recipient is enrolled in a PDP, but is not indicated as an LIS recipient;
- Medicare enrollment cannot be confirmed; or
- No in-network pharmacy is geographically accessible so recipient must access out-of network pharmacy and/ or the mail order option is unavailable.

Before accessing the State Contingency Safety Plan, the pharmacy must first utilize the Medicare contingency plans (i.e., PDP's "First Fill" process and CMS POS Contingency Plan) to have Medicare pay as the primary insurer on these claims. If those contingencies are not workable, the Medicaid State Contingency Safety Plan can be accessed to dispense the prescription drugs through the existing Medicaid process. Medicaid will reconcile these claims to confirm if the recipient was enrolled in a PDP. If PDP enrollment is confirmed effective as of the date of service, Medicaid will reverse the claim to the pharmacy, the pharmacy must then bill the appropriate PDP for payment.

In order to pay claims as the primary insurer in these circumstances, Medicaid has established an override code that can be utilized after the pharmacy has attempted to use both Medicare contingency plans. To access this override, the pharmacy must enter "02" in the NCPDP field C9 (eligibility override field). This will allow the system to pay the claim as if Medicaid were the primary insurer. In these situations, all existing Medicaid pharmacy edits will apply and dispensing fees will be allowed. Recipients shall not be held responsible for co-payments.

4. STATE PHARMACY ASSISTANCE PROGRAM (SPAP)

The State of Hawaii, Department of Human Services (DHS) has elected to cover the $1 and $3 co-payment for full benefit dual eligibles (up to 100% of the Federal Poverty Level) that have met the SPAP criteria. DHS will be administering the SPAP, with ACS serving as its Pharmacy Benefits Manager (PBM). Upon confirmation of SPAP eligibility, either through the presentation of a SPAP card or ACS, the pharmacy shall submit a claim to ACS for payment by the State.

Coverage starts when the enrollee has received their SPAP identification card from the State, but no sooner than January 1, 2006. SPAP eligibility can be confirmed by calling the ACS PBM Help Desk 1-877-439-0803.

SPAP eligibility will exempt the individual from the required $1 and $3 co-payments for each drug. The DE must be enrolled in one of the following Medicare Standard Basic Part D Plans (see the list of plans below) in order to use this card. QMB, SLMB or QI-1 are not eligible for the SPAP.

Eligible Medicare Prescription Drug Plans (PDP's):

AARP MedicareRx Plan	Medco Prescription Savings Plan
Advantage Star Plan	PacifiCare Saver Plan
Community Care Rx BASIC	United Medicare MedAdvance
Medicare Rx Rewards	WellCare Signature

Medicare Advantage and Other Health Plans:

AlohaCare Advantage Plus	Kaiser Permanente Senior Advantage
HMSA 65C Plus Basic Option SRx	United HealthCare MedicareComp Choice Plus Rx
HMSA 65C High Option SRx	United HealthCare Evercare Plan DP-ES

The PDP drug claim is separate from the SPAP claim. The pharmacy shall submit a claim to ACS PBM using the following fields for the SPAP co-payment:

NCPDP Field	Enter for POS Submission	Description
308-C8	8	Third Party Liability (TPL) co-pay only
478-H7	>0	
479-H8	99	
480-H9	$1 or $3	The amount of the TPL co-pay

Auth.: SLH 2005, Act 209

SUMMARY

The processes described above will ensure prescription drug coverage to all dual eligible Medicaid and Medicare recipients. The purpose of these provisions is to allow our Medicaid recipients to receive their essential drugs without any undue interruption during this critical transition period into a new Medicare Part D Prescription Drug Program. With your assistance, we believe that this goal can be achieved by utilizing the Transition Plan, POS Contingency Plan, State Contingency Safety Plan, and the State Pharmacy Assistance Program.