2007 NHeLP Health Advocates Conference

Private Medicare Plans: Eligibility Hurdles and How to Address Them

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Who is eligible for Medicare Part D?

- All Medicare Beneficiaries
  - Seniors 65 and over eligible for Social Security retirement benefits;
  - Individuals with disabilities eligible for Social Security disability benefits;
  - Any income level
  - Any resource level
- Entitled to Part A and/or enrolled in Part B

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Medicare Part D Private Plans

- Hotly competitive market: in 2008, most beneficiaries must choose from more than 50 PDPs and 50-149 MA-PDPs
- Complex benefit structures change every calendar year.
  - Formularies
  - Tiering
  - Utilization management tools

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Problems with Private Delivery System

- Beneficiaries vulnerable to improper marketing
- Plans not experienced or attuned to needs of low-income, high needs populations
- Web-based and/or dense information often inappropriate for Medicare population
  - Private plans fail to provide language-accessible services

Low Income Subsidy (LIS)

- Routes to LIS eligibility:
  - "Deemed" eligible:
    - Medicaid recipients, Medicare Saving Program enrollees, and SSI-only recipients
    - Full subsidy
  - "Determined" eligible:
    - Apply through SSA or state Medicaid agency
    - Full or partial subsidy

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Hurdle #1: LIS Underenrollment

- 3.3 million Medicare beneficiaries eligible but do not receive the LIS
- Causes:
  - Complexity of application
  - Lack of awareness
  - Lack of language-accessible materials/outreach
  - Un-redeemed

LIS Underenrollment

- Strategies for overcoming:
  - One month's Medicaid or MSP eligibility will "deem" individual for rest of calendar year.
    - In July-December, deemed for next calendar year as well.
  - Possible routes to "deemed" eligibility:
    - Medicare Savings Programs, e.g. Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), Qualifying Individual (QI) and Qualified Disabled and Working Individual (QDWI) program.
    - Medically Needy: meet Share of Cost or spend-down for one month.

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LIS Underenrollment

- Strategies for overcoming, cont.:
  - Late Enrollment Penalty is waived for LIS recipients through 2008.
  - Culturally competent outreach and translation

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Hurdle #2: Changes in Zero-Premium Plans

- CMS enrolls LIS recipients who do not affirmatively choose their own plan into regional "benchmark" plans. Assignment is random.
  - Dual eligibles are automatically enrolled.
  - Other LIS recipients subject to "facilitated" enrollment.
  - Full LIS recipients pay zero monthly premium.

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Changes in Zero-Premium Plans

- Regional benchmarks and de minimis amount change each year.
- In 2008, benchmark PDPs (eligible for automatic or facilitated enrollment) cover fewer drugs and apply more prior authorization requirements than non-benchmark PDPs
- In 2008, some major plan sponsors no longer have zero-premium plan in many regions
  - See Chart #1 for plans in your state.

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Changes in Zero-Premium Plans

- Full LIS recipients enrolled by CMS who remained in that plan will be reassigned, at random, to a new plan in 2008.
- Full LIS recipients who chose their own plan (a.k.a. "choosers") will pay more in premiums starting January 2008.
- More than 2.5 million LIS recipients affected nationwide.
  - See Chart #2 for your state.

Changes in Zero-Premium Plans

- Strategies for overcoming:
  - All LIS recipients now have continuous Special Enrollment Period.
  - Partner with SHIPs for individualized assistance in plan selection.
  - Make changes by Dec. 7 (or early in any month).

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Changes in Zero-Premium Plans

- If beneficiary decides to pay nominal premium amount to maintain level of coverage or avoid hassle of changing:
  - Still need to review changes in formulary and utilization management.
  - Minimizing risk of non-payment of premiums:
    - Plans have option whether to disenroll for failure to pay premiums.
    - Not yet clear whether plans will aggressively collect.
    - Plans must give notice and minimum one month grace period.
    - Automatic withholding of premiums is available but can cause problems.

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Changes in Zero-Premium Plans

- Strategies for overcoming, cont.:
  - Tell CMS it needs to do more to protect LIS recipients and make sure plans give accurate information.

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Hurdle #3: Who's Responsible When Things Go Wrong?

- Medicare prescription drug program involves many actors, e.g.:
  - States provide Medicaid and MSP eligibility information;
  - Social Security Administration makes LIS determinations;
  - CMS responsible for enrollment of LIS recipients and transfer of subsidy information to plans;
  - Plans responsible for providing CMS and pharmacist with billing information.
- See Chart #3

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Who's Responsible?

- Many entities involved in typical barriers to LIS or plan enrollment, e.g.:
  - Delays in automatic or facilitated enrollment; See Chart #4
  - Delays in LIS data transfers.
- Result: beneficiary cannot access drugs at correct cost-sharing at the pharmacy counter.

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Who's Responsible?

- Strategies for overcoming: know who can do what:
- Pharmacists:
  - Can call plan for updated billing information;
  - Can do an E-1 query to determine Part D eligibility, plan enrollment, and, in some instances, subsidy status
  - Can choose to use Point of Sale (Wellpoint) enrollment; limitations:
    - Only covers enrollment, not LIS cost-sharing;
    - Only works if no pending CMS enrollment

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Who's Responsible?

- Plans:
  - Can enroll and disenroll
  - Can do individual query to CMS
  - Must accept "best available evidence" of LIS eligibility, e.g.:
    - Dated Medicaid card;
    - Letter from State Medicaid office;
    - Medicaid screen-shot.

Who's responsible?

- Social Security Administration:
  - Can determine and review eligibility for LIS;
  - Responsible with CMS for premium withholding.

Who’s Responsible?

- CMS central and regional offices:
  - Can confirm LIS status from most recent State and SSA transmittals
  - Can identify pending automatic and facilitated plan enrollments
  - Can enforce plan requirements, e.g. best available evidence policy
  - Can do retroactive disenrollments and enrollments
  - Responsible for administration of Part D– document all problems to CMS.

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Questions

Call with questions, problems, etc:

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