

SENIORCARE

Prescription Drugs for Wisconsin Seniors

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Wisconsin Department of Health and Family Services
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SeniorCare Web Site: www.dhfs.state.wi.us/seniorcare/index.htm

SENIORCARE^X

will pay for most prescription drugs

- SeniorCare will pay for the generic form of your prescription. The brand name form is covered only when medically necessary. There may be other limitations.
- Over-the-counter drugs – such as vitamins and aspirin – are not covered, even if prescribed.



**SeniorCare
can keep
someone
you know...
healthy**

SENIORCARE^X

Prescription Drugs for Wisconsin Seniors

To find out more about SeniorCare:
Use our web site for quick access to more
information and instructions on how to apply:
www.dhfs.state.wi.us/seniorcare/index.htm
or call the SeniorCare Customer Service

HOTLINE:
1-800-657-2038
TTY and translation services available.

Department of Health and Family Services
Division of Health Care Financing
FH-C 10077 (01/02)

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SENIORCARE^X

Prescription Drugs for Wisconsin Seniors



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Overview of Presentation

- ◆ Program Features and Status
- ◆ Funding
- ◆ Waiver
- ◆ Implementation Process
- ◆ Implementation Issues
- ◆ Descriptive Data
- ◆ Impact on Medicaid



SeniorCare Overview

- ◆ New prescription drug assistance program for Wisconsin residents who are 65 years of age or older.
- ◆ Designed to assist seniors with low incomes and/or high drug costs purchase prescription drugs.
- ◆ Funded by state general fund, participant cost sharing, price discounting, manufacturer rebates, and federal funding through a Medicaid waiver.
- ◆ Program authorized on September 1, 2001.
- ◆ Enrollment began July 1, 2002.
- ◆ Benefit coverage began September 1, 2002.



Current Status

- ◆ SeniorCare successfully implemented on September 1, 2002.
- ◆ CMS-approved Medicaid demonstration waiver.
- ◆ After more than two months of operation*:
 - ▣ Over 60,000 applications received.
 - ▣ More than 66,500 seniors currently enrolled.
 - ▣ More than 1,000 pharmacies (about 90%) submitted claims for about \$5.5 million in payments by the state.
 - ▣ About 78% of enrolled participants have had a prescription filled through SeniorCare.

*Data as of November 3, 2002



Eligibility Requirements

- ◆ Wisconsin resident.
- ◆ 65 years of age or older.
- ◆ Not enrolled in Medicaid.
- ◆ \$20 annual enrollment fee per person.
- ◆ Assets (bank accounts, insurance policies, home property, etc.) are not counted.
- ◆ Differential out-of-pocket expense requirements depending on annual income.



LEVEL 1 - Income at or Below 160% of Federal Poverty Level (FPL)

Annual Income Limits, Based on 2002 FPL:

- ◆ \$14,176 per individual.
- ◆ \$19,104 per couple.

Annual Out-of-Pocket Expenses and Benefits:

- ◆ No deductible or spenddown.
- ◆ Pay a \$15 copay for each covered brand name drug and a \$5 copay for each covered generic drug.



LEVEL 2 - Income Above 160% FPL, at or Below 240% FPL

Annual Income Limits Based on 2002 FPL:

- ◆ \$14,177 to \$21,264 per individual.
- ◆ \$19,105 to \$28,656 per couple.

Annual Out-of-Pocket Expenses and Benefits:

- ◆ \$500 deductible.
 - ▣ Discounted price for most drugs at participating pharmacies.
- ◆ Pay a \$15 copay for each covered brand name drug and a \$5 copay for each covered generic drug after \$500 deductible is met.

LEVEL 3 - Income Above 240% FPL

Annual Income Limits, Based on 2002 FPL:

- ◆ \$21,265 or higher per individual.
- ◆ \$28,657 or higher per couple.

Annual Out-of-Pocket Expenses and Benefits:

- ◆ Pay retail price for drugs equal to the amount that income exceeds 240% of FPL, also known as spenddown.
 - ▣ During spenddown, no price discount on drug costs.
- ◆ Pay a \$500 deductible after spenddown is met.
 - ▣ Discounted price for most drugs at participating pharmacies.
- ◆ After \$500 deductible is met, pay a \$15 copay for each covered brand name drug, \$5 for each generic.



How Income is Determined

- ◆ Seniors estimate their gross annual income prospectively.
- ◆ Income includes:
 - ▣ Social security payments
 - ▣ Gross earnings (with deductions allowed if earnings are from self-employment)
 - ▣ Interest and dividends
 - ▣ Gross pension
 - ▣ Other income, such as unemployment compensation, worker's compensation, rental income, alimony and other support.



Application Process

- ◆ A Pre-Application Guide helps seniors decide whether or not to apply (available on the SeniorCare web site).
- ◆ A simple, one page application with detailed instructions has been developed.
 - ▢ Available at local aging offices, senior centers or aging resource centers and through the internet.
 - ▢ Mailed by customer service on request.
- ◆ Seniors not required to apply at county offices.
- ◆ Applications mailed to a central processing center.
- ◆ Application forms cannot be submitted through the internet, but can be printed, completed and mailed.
- ◆ Applications are electronically scanned for automated upload to database and eligibility determination system.



Application Process (continued)

Customer Service Hotline and Web Site

- ◆ A toll-free customer service hotline was established.

1-800-657-2038

- ◆ A SeniorCare Web Site was also created:

www.dhfs.state.wi.us/seniorcare/index.htm



SeniorCare Identification Card and Participant Handbook

- ◆ Created a distinct SeniorCare ID card.
 - ▣ Standardized NCPDP format used.
 - ▣ Different than regular Medicaid ID card.



- ◆ Developed a Participant Handbook.
 - ▣ Program Policies
 - ▣ Benefit Coverage and Limitations
 - ▣ Rights and Responsibilities



SeniorCare Benefits

- ◆ Medically necessary prescription drugs and insulin.
 - ▣ Other over-the-counter medications not covered.
- ◆ Only drugs produced by manufacturers with a rebate agreement.
- ◆ State Medicaid pharmacy benefits management processes will apply:
 - ▣ Prior Authorization
 - ▣ Drug Utilization Review
 - ▣ Day Supply Limitations
 - ▣ Generic Substitution
 - ▣ Lock-in
- ◆ Medicaid-certified providers must accept SeniorCare.



SeniorCare Program Operations

- ◆ Operated by the state Medicaid agency within the existing Medicaid fee-for-service prescription drug processing system.
- ◆ Cost-efficient, leverages existing resources.
- ◆ System features include:
 - ▣ Real-time “point-of-sale” (POS) claims submission system
 - ▣ Prospective and retrospective drug utilization review system (DUR)
 - ▣ Lock-in program
 - ▣ A prior authorization (PA) system
 - ▣ Quality assurance/program auditing process



Coordination of Benefits

- ◆ Individuals with prescription drug coverage under other plans eligible to enroll.
- ◆ SeniorCare covers only eligible costs not covered by other plans.
- ◆ SeniorCare coordinates with other insurers through tape matches and the existing POS system.
- ◆ Individuals enrolled in Medicaid not eligible for SeniorCare.



Provider Network

- ◆ All Wisconsin Medicaid-certified pharmacies.
 - ▢ Over 1,100 pharmacies in Wisconsin
 - ▢ About 120 pharmacies in border states

Provider Payment Rates

- ◆ 105% of the amount allowed by the Wisconsin Medicaid program, plus the Medicaid dispensing fee.
- ◆ Wisconsin Medicaid pays AWP minus 11.25% for sole source drugs and maintains an extensive MAC pricing list for multi-source drugs.



Web-Based Drug Inquiry

- ◆ New search tool capability available on the SeniorCare website.
- ◆ Allows providers to identify and calculate ingredient rates and provides both a look-up and a sort capability.
- ◆ Search can be made either by NDC or by drug label name.
- ◆ Additional data for each drug available:
 - ▣ Effective date
 - ▣ Prior authorization requirement
 - ▣ Co-pay amount
 - ▣ Medicare coverage
 - ▣ Maximum days supply
 - ▣ Unit of measure
 - ▣ Age or diagnosis restrictions
 - ▣ Package size
 - ▣ Compounding only indicator (if applicable)



Drug Inquiry

The screenshot shows a web browser window titled "Wisconsin SeniorCare - Microsoft Internet Explorer provided by DHFS". The browser's address bar is empty, and the menu bar includes "File", "Edit", "View", "Favorites", "Tools", and "Help". The main content area features the SeniorCare X logo and the heading "Drug Inquiry". Below the heading, there is a paragraph explaining the search tool's purpose for Medicaid-certified pharmacies and health care providers. A second paragraph advises consumers to consult their pharmacist or health care provider. A third paragraph provides instructions on how to enter the NDC or drug label name. At the bottom of the main content area, there is a search form with three input fields: "NDC:" with a text box, "or" with a radio button, "Label Name:" with a text box, and "Sort Results By:" with a dropdown menu set to "NDC". A "Search" button is located below the dropdown menu. On the left side of the browser window, there is a vertical navigation menu with red background and white text, containing links for "SeniorCare Home", "What Is It?", "Should I Apply?", "Am I Eligible? (Pre-application Guide)", "Where Do I Apply?", "SeniorCare Application Form and Instructions (PDF)", "Brochure (PDF)", "Fact Sheet (PDF)", and "Information for Providers". The browser's status bar at the bottom shows "Local intranet".

SeniorCare X
Prescription Drugs for Wisconsin Seniors

Drug Inquiry

The Wisconsin SeniorCare covered drug search tool is designed for Wisconsin Medicaid certified pharmacies and other health care providers to help identify and calculate ingredient rates of drugs covered by SeniorCare. This information will be updated periodically. Knowledge of the drug's National Drug Code (NDC) or label name is required.

Consumers with questions about SeniorCare covered drugs should consult their pharmacist or health care provider.

Please enter the 11 digit National Drug Code (NDC) or the drug label name. For a list of NDCs by labeler code, enter a minimum of 5 digits for the NDC followed by an asterisk (*). For a list of NDCs with similar names, enter a minimum of 5 characters in the label name.

NDC:

or

Label Name:

Sort Results By:



State Funding for SeniorCare

Administration:

- ◆ \$1.9 million state general purpose revenue (GPR) in SFY 2001-02 for implementation.
- ◆ Ongoing administration funded by enrollment fees.

Benefits:

- ◆ \$49.9 million GPR sum certain for SFY 2002-03 based on September 1, 2002, start date.
- ◆ Legislature assumed an annualized benefit cost of \$78.1 million to cover 177,000 seniors.



Federal Funding is Approved

- ◆ Legislation required that the state seek a federal waiver to augment state funds.
- ◆ Waiver application was submitted to the Centers for Medicare and Medicaid Services (CMS) on March 28, 2002.
- ◆ Waiver approval was received on July 1, 2002, the same day that the enrollment process began.
- ◆ CMS site visit in late August resulted in approval of Operational Protocol.



Waiver - Key Elements Requested/Denied

Requested:

- ◆ Eligibility expansion (seniors up to 240% FPL).
- ◆ Comparability (pharmaceutical benefits only).
- ◆ Cost sharing (enrollment fee, deductible, co-payments).
- ◆ Rebates during deductible period.
- ◆ Enrollment suspension (if funding exhausted).

Denied:

- ◆ FFP for seniors with income in excess of 200% FPL.
- ◆ Rebate collections on drugs purchased during the deductible.
- ◆ No consideration of other federal (Medicare) savings as part of budget neutrality.
- ◆ No FFP for enrollment fee. Instead, must use fee to offset program costs.



Waiver - Key Budget Neutrality Concepts

- ◆ **Medicaid Diversion**: Program will achieve savings in the Medicaid (and Medicare) programs by keeping seniors healthier longer, by reducing spend-down enrollment into Medicaid and diverting/delaying their need for expensive (institutional) services.
- ◆ **Savings**: Medicaid costs for elderly plus SeniorCare costs will be less than what Medicaid costs for elderly would be in absence of waiver over five year demonstration period.



Waiver - Key Features

- ◆ Brings an additional \$527 million in federal funding over five years.
- ◆ Will fund about 58% of costs for people up to 200% FPL.
- ◆ State will pay 100% for SeniorCare participants with income above that level.
- ◆ Caps the annual growth in federal Medicaid funding for the aged over those five years to 6.3% per year in costs per person and 2.0% per year in enrollment.
- ◆ Wisconsin is the second state to be awarded one of these waivers. Illinois was first, and a number of other states have since been awarded waivers.



Implementation Process

- ◆ Selected existing Medicaid fiscal agent to operate claims payment and data systems.
- ◆ Developed “data mart” for rapid access to budget, program monitoring and reporting data.
- ◆ Short implementation time frame:
 - ▮ Established “Core” team of top managers to lead implementation
 - ▮ Work groups assigned to specific work categories
 - ▮ Formal project management
 - ▮ Numerous deadlines and decision points
 - ▮ Requires sustained effort and attention



Implementation Process

- ◆ Developed for budget with broad stakeholder input.
- ◆ Very high profile state government program.
- ◆ Strong legislative interest in smooth implementation, balanced by widespread support for the effort.
- ◆ Assistance with outreach, benefits counseling and public education from advocates and senior support groups throughout the state.
- ◆ Advisory Committee established with broad stakeholder representation.
- ◆ Continuing to work with stakeholder groups to resolve implementation issues.



Participation Projections

- ◆ Estimated number of seniors in Wisconsin: **700,000**
- ◆ Number of Medicaid recipients 65 years of age and older: **63,000**
- ◆ Projected number of seniors eligible for SeniorCare: **325,000**
- ◆ Projected number of seniors who will enroll at or below 240% FPL: **160,000**
- ◆ Projected number of seniors who will enroll above 240% FPL: **17,000**



Implementation Issues

- ◆ State-Only Rebates - As of Oct. 28, 226 signed rebate agreements out of a total of 558 manufacturers. Majority of big companies have signed. Expecting 100% within 12 months.
- ◆ Applications processing - Typical start-up kinds of issues: signatures in the wrong box, income calculated incorrectly. Resolutions on a case-by-case basis, mostly through call-backs.
- ◆ Claims processing - First week involved uncovering and resolving minor glitches, coordinating various computer programs to synchronize changes.



Implementation Issues (continued)

- ◆ Coordination of Benefits (COB):
 - ▣ SeniorCare requires providers to identify other insurance payment and related participant cost-sharing on claim form.
 - ▣ Generated a high volume of calls during first weeks of implementation.
 - ▣ Large chain pharmacies have made system/software changes to comply with COB requirements.



Implementation Issues (continued)

- ◆ Optical scanning of applications.
- ◆ Consumer Protection.
- ◆ CMS site visit days before program implementation.
- ◆ Centralized customer service operation to handle mail-in applications and phone bank.
- ◆ High volume of phone calls during first weeks of program.

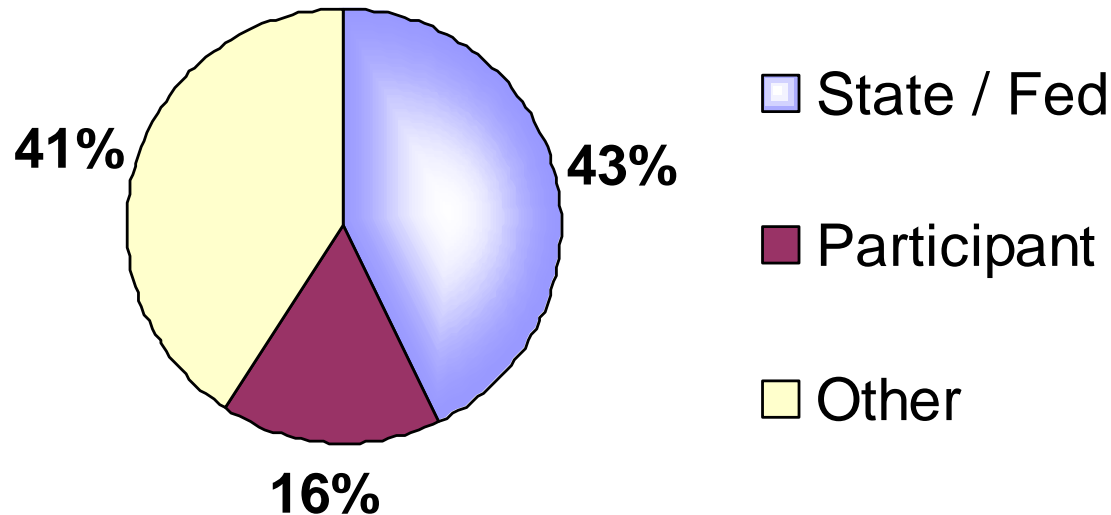




“That’s Cool!”

Projected Key Program Measures - Annual

◆ Annual average cost/participant* **\$1,970**



☰ We estimate that on average, that about **\$845** of the total is covered by state/federal funds, **\$320** from participant cost sharing (co-pay and deductible) and about **\$805** covered by other insurance and manufacturer rebates.

* After SeniorCare discount.



Early Program Measures - Enrollment*

◆ Total Enrollment		66,538
◆ Percent distribution by FPL level:		
Level 1 (0 to 160)		53%
Level 2 (>160 to 240)		40%
Level 3 (>240)		7%
◆ Gender Distribution		
Female		74%
Male		26%
◆ Age Distribution		
65 to 74		35%
75 to 84		45%
85 +		20%

*Enrollment data as of November 3rd (Source: DataMart)



Early Program Measures - Expenditures*

◆ Total	\$12,915,000	100%
◆ State Paid	\$5,582,000	42%
◆ Co-payments	\$1,458,000	15%
◆ Deductible	\$4,622,000	36%
◆ Spenddown	\$ 832,000	6%
◆ Other insurance	\$ 128,000	1%

- ◆ Important Note: Early in the program many of the people in the deductible and spenddown categories are currently paying their share. This has the effect of temporarily inflating the percentage of total costs covered by the participant. This percentage is expected to fall once most people in the deductible phase have paid their deductible and the state begins paying the majority of their prescription costs.



Impact on Medicaid

- ◆ Four-fold increase in number of seniors obtaining pharmacy benefits.
- ◆ Intensifies overall responsibility to effectively and efficiently manage prescription drug benefits.
- ◆ Impetus for innovation:
 - ▣ Better pharmacy data system will also be used to monitor and analyze Medicaid pharmacy trends.
 - ▣ New capacity to electronically scan applications will be used in the future to support Medicaid and Food Stamps.
 - ▣ Centralized customer service and application processing a model for more integrated and streamlined operations.
 - ▣ Emergence of a Pharmacy Team with nine new staff devoted to managing and supporting new era of Medicaid pharmacy policy and budget.



SEP 19 2007

Belgium, Wisconsin 53004

I showed my
Seniorcare card to
my pharmacy and
he thought it was a
very nice thing to do for
the Senior Citizens.

I paid \$5.00 for
4 tablets of Fosamax
for which I was paying
\$63.16.

Thank you very much

Sincerely
E. J.



**For Additional Information About
Wisconsin SeniorCare, Please Contact:**

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