



The PACE and PACENET Programs Explained

Prepared by the
Pennsylvania Health Law Project

(800)274-3258 or (866) 236-6310 TTY
www.phlp.org

The PACE and PACENET Programs Explained

What is PACE, Who is Eligible, and What Does it Cost?

The Pharmaceutical Assistance Contract for the Elderly or "PACE" program is a lottery funded program that provides prescription drug coverage to individuals age 65 and older who meet the program's income requirements:

PACE is available for individuals with annual incomes below \$14,500 for single persons and \$17,700 for married couples. There are no income deductions and all income is counted. There is no asset limit for eligibility. Qualified individuals have to pay copayments of \$6 for each generic and 9 for each brand name medication.

What is PACENET, Who is Eligible, and What Does it Cost?

The Pharmaceutical Assistance Contract for the Elderly Needs Enhancement Tier or "PACENET" program is a lottery funded program that provides prescription drug coverage to individuals age 65 and older who meet the program's income requirements:

PACENET is available for individuals with annual incomes between \$14,500 and \$23,500 for single persons and between \$17,700 and \$31,500 for married couples. There are no income deductions and all income is counted. There is no asset limit for eligibility. Qualified individuals have to pay a monthly premium (\$28.45 in 2007) at the pharmacy and prescription copayments are \$8 for each generic and \$15 for each brand name medication.

How to Apply

Applications can be submitted online at <https://pacecares.fhsc.com>. Hard copy applications can also be downloaded from www.aging.state.pa.us. Lastly, applications can be obtained through the PACE/PACENET toll-free number, 1-800-225-7223, or through the local Area Agency on Aging.

Note that PACE and PACENET look at prior year's income in determining eligibility. The PACE/PACENET programs verifies age, income, and residence with available state and federal sources. You do not need to provide any documentation or verification of the information contained in your application. You will be contacted if any documentation is needed.

What drugs are covered by the PACE/PACENET program?

The PACE/PACENET programs do not use a restrictive formulary or limited list of drugs that can be obtained. PACE/PACENET does, however, encourage the use of generics. Name brand drugs are available under PACE, if your doctor feels that you need them.

How does the Medicare Part D program affect PACE/PACENET coverage?

Individuals can have both Part D and PACE/PACENET coverage. If someone has Part D (or any prescription coverage through another prescription plan), PACE is the payer of last resort. PACE/PACENET will continue to cover medications that are not covered by the Part D Plan's formulary.

PACE/PACENET is creditable coverage, so individuals who have this coverage do not need to enroll in Part D. Should a PACE/PACENET member decide to join Part D later, they should not have to pay a late enrollment penalty.

Under the new **PACE Plus Medicare** law that passed and took effect July 7, 2006, the PACE/PACENET program will enroll certain members into Part D plans that are partnering with PACE/PACENET (there are 12 Partner Plans in 2007). PACE/PACENET will try to enroll members into Partner Plans that cover their medications and work with their pharmacy. PACE/PACENET will notify the member about which Part D Plan they selected. They will enroll the member into the selected plan unless she contacts PACE/PACENET to decline enrollment into Part D or tells PACE/PACENET she wishes to join a different Part D plan than the one that PACE selected for them.

If a person who is on PACE also has Part D coverage (regardless of whether or not PACE enrolled them), PACE will pay the monthly premium (if any) for those Part D Plans that have an agreement with the state. PACE will cover the costs for drugs over the PACE co-payment amounts during the Part D deductible and donut hole phases (if any). In addition, PACE will cover any Part D co-pays that are in excess of the PACE co-pays (\$6/\$9). If the PACE member does not have Part D coverage or declines the Part D plan selected by the PACE program, they continue to get medications through their PACE card with no change in coverage or increased cost.

If a person who is on PACENET and has Part D coverage (regardless of whether or not PACENET enrolled them), the individual will pay the monthly Part D premium to the plan. These individuals will not have to pay the PACENET premium (\$28.45 in 2007). PACENET will then pay the Part D co-payments in excess of those normally in place for PACENET folks (\$8/\$15). PACENET will also cover the costs for drugs that exceed PACENET co-payment amounts during the Part D deductible and donut hole (if any). If the person declines to enroll in Part D, then they will have to pay a monthly premium at the pharmacy (\$28.45 in 2007) before getting drugs at the PACENET co-pays (\$8/\$15). The \$40 monthly cumulative deductible for PACENET has been eliminated.

In addition to the Part D plan enrollment, the PACE/PACENET program will identify members who are potentially eligible for the Low Income Subsidy (LIS) and complete an application for them. Individuals who qualify for the LIS will then get these benefits if and when they enroll in Part D.

Is PACE/PACENET available to poor elderly on Medicaid?

Despite the fact that Medicaid no longer covers prescription drugs for dual eligibles (persons with Medicare and Medicaid), these individuals are presently ineligible for PACE or PACENET. Dual eligibles currently have no assistance paying for most medications that are not covered by their Part D plan.

Need additional information?

For questions or to receive an application, contact PACE at (800)225-7223, download the application off the PACE website, or apply on line at <http://pacecares.fhsc.com>.