



SENIOR HEALTH NEWS



A publication of the Pennsylvania Health Law Project

Volume 11, Issue 6

December 2009



Integrated Care Initiative Delayed Until 2011

In December, the state's Office of Long Term Living (OLTL) announced implementation of its Integrated Care Initiative, set to begin July 1, 2010, was postponed until January 1, 2011. PHLP has reported on the planned Integrated Care Initiative (ICI) in previous editions of this Newsletter. As a reminder, under the ICI, the state would contract with Medicare Advantage Special Needs Plans to provide Medical Assistance (Medicaid) healthcare and long term living services to their enrollees in addition to the Medicare-covered services the plans already provide.

OLTL delayed the ICI's start date for two reasons: 1) Medicare contracts with Special Needs Plans run on a calendar year basis so it made sense to also start ICI at the beginning of a calendar year, and 2) to give the state additional time to assure that the Special Needs Plans will be able to deliver all needed Medicaid-covered services to consumers participating in the program prior to implementation. In addition to delaying the start date of ICI, OLTL also made some other important decisions affecting ICI implementation:

- Instead of implementing ICI statewide as originally planned, it will be **phased-in** by region across the state. The initial phase-in region is six counties in southwestern Pennsylvania: Allegheny, Beaver, Fayette, Greene, Washington and Westmoreland counties.
- ICI will be available to dual eligibles over age 60 in the six counties to provide Medicaid healthcare **and** long term living services beginning January 1, 2011. Previously, the state planned to initially enroll persons 60 and older who just need acute healthcare services from Medical Assistance (this did not include those who need long term living services either in their own homes or in a nursing facility) and then phase in those older adults receiving long-term care services after 6 months.

Stakeholder Input Needed!

It is crucial that affected stakeholders in the six county region learn about ICI and be involved in the planning process to provide input and feedback to OLTL. PHLP is organizing a coalition of interested stakeholders who want to learn more about ICI and who want to shape its implementation. Dual eligible consumers living in southwestern Pennsylvania who are 60 and older, their caregivers and advocates, and healthcare and social service providers who serve elderly persons in southwestern Pennsylvania are all invited to participate. If you would like to be part of this coalition, please contact PHLP's Helpline at 1-800-274-3258 or email fchervenak@phlp.org.

New Enrollment Procedures in Medicare Part D Program for Low-Income Pennsylvanians

Medicare began a new program on January 1, 2010 that impacts how the Medicare Part D program works for dual eligibles and anyone awarded a Low Income Subsidy (LIS). The Limited Income Newly Eligible Transition Program (commonly referred to as LI NET) combines the Medicare Part D auto-enrollment process for certain dual eligibles with the Point-of-Sale process available at the pharmacy for dual eligibles and anyone with an LIS who find themselves without Part D coverage.

The Part D Auto-Enrollment Process

When Medicare discovers a beneficiary who is a full dual eligible and who is not yet enrolled in Medicare Part D, it auto-enrolls the person into a Part D prescription drug plan. **Previously**, Medicare auto-enrolled that individual randomly into one of the Part D zero-premium plans with the enrollment retroactive to the first day the person became a full dual eligible, or the first day of the last month the person had no Part D coverage (whichever is later). The Part D plan was then responsible for all Part D costs incurred by the beneficiary during the retroactive period and going forward.

The term **full dual eligible** refers to a person on Medicare with full Medical Assistance coverage through the ACCESS card versus someone who just gets help from Medical Assistance to pay their Medicare Part B premium.

As of January 1st, Medicare is using a new auto-enrollment process. Under LI NET, when Medicare learns someone is a full dual but is not in a Part D Plan, it will automatically enroll the person into the LI NET Plan (run by Humana, a private insurance company that contracts with Medicare) with the enrollment retroactive to the first day the person was a full dual, or the first day of the last month the person had no Part D coverage (whichever is later). The LI NET Plan is responsible for Part D covered costs incurred by the person during the retroactive period and currently. Medicare will then auto-enroll the person randomly into one of the 2010 zero-premium plans with that enrollment going into effect in approximately two months. **Note:** the dual eligible beneficiary can always enroll into a Part D Plan on their own in which case the enrollee's plan choice prevails!

The Point-of-Sale Process at the Pharmacy

The Point-of-Sale (POS) process has been in place since the beginning of Part D to function as a safety net for low-income Medicare beneficiaries with an LIS who contact a pharmacy to fill a prescription but who do not have any active Part D coverage. This process has been referred to as "WellPoint."

When a Medicare beneficiary contacts a pharmacy and presents a prescription, the pharmacy will check the Medicare system to see if the person is enrolled in a Part D Plan. **Previously**, if the system showed no Part D enrollment, and the consumer could show that she was either a dual eligible or that she had been awarded an LIS, the pharmacist could submit a claim through the POS process and be paid (and just charge the consumer the small co-pay she had with her LIS). The POS process could continue to be used until Medicare randomly enrolled the consumer into a Part D zero-premium plan or until a consumer joined a Part D plan and the coverage become effective (whichever happened first).

(Continued on Page 3)

(Continued from Page 2)

As of January 1st, the POS process became part of LI NET and is now being run by Humana and not WellPoint. Under LI NET, when a pharmacy successfully submits a claim through the POS process for a low-income beneficiary who is not currently enrolled in a Part D Plan, the beneficiary is immediately enrolled into LI NET which will pay the claim and provide at least some retroactive coverage. In addition, LI NET will provide ongoing coverage for a temporary period until Medicare auto-enrolls the person randomly into one of the 2010 zero-premium plans with that enrollment going into effect in approximately two months. Again, the low-income beneficiary can always enroll into a Part D Plan in the meantime in which case the enrollee's plan choice prevails!

Please see our website (www.phlp.org) for the steps a pharmacy must take to submit a POS claim in 2010 under the new LI NET system. Individuals can also contact our HELPLINE (1-800-274-3258) if they need help accessing medications under the LI NET process.

Do you currently get the Senior Health Law News through the mail? Please consider switching to e-mail!!

Contact staff@phlp.org to change the way you get the Senior Health News!

REMINDER-IMPORTANT CHANGES TO ELIGIBILITY FOR MSP AND LIS STARTED JANUARY 1ST!

The asset limit someone must meet to qualify for the Medicare Savings Programs (MSPs) increased to \$6,600 (single person) and \$9,910 (married couple) as of January 1st. Previously, the limits were \$4,000 (single person) and \$6,000 (married couple). The MSPs, also known as "Buy-In", help low-income individuals pay for their Medicare Part B premium and possibly their Medicare deductibles and coinsurance.

Starting January 1st, Social Security will no longer count any part of the value of life insurance as an asset and will no longer consider in-kind support and maintenance as income when determining whether someone qualifies for the Medicare Part D Low-Income Subsidy (LIS).

Please see our October 2009 Senior Health News for detailed information about these changes as required under the Medicare Improvements for Patients and Providers Act (MIPPA). Previous editions of our newsletters can be found on our website-www.phlp.org.

LIS Asset Limits Remain the Same in 2010

For the first time since Part D started in 2006, the asset limits someone must meet to qualify for the low-income subsidy (LIS), also known as “Extra Help with Medicare Prescription Drug Costs” did not increase. The limits will remain the same in 2010 as they had been in 2009 (see below). The lack of increase is due to the formula used to calculate and update the LIS resource limit each year as required by the Medicare Modernization Act.

2010 LIS Guidelines

In 2010, to qualify for a low income subsidy someone must meet the following guidelines:

Full LIS:

- Countable income must be below 135% FPL* (currently, \$1219/mo for a single person and \$1,640/mo for a married couple);
- Countable assets must be below \$6,600 (single person) and \$9,910 (married couple)

Partial LIS:

- Countable income must be below 150% FPL* (currently, \$1354/mo for a single person and \$1,821/mo for a married couple);
- Countable assets must be below \$11,010 (single person) and \$22,010 (married couple)

Please note: **countable** income and **countable** assets means after all deductions and disregards are taken.

*Federal Poverty Level (FPL) figures are updated each year, generally in February. The income figures could change when the 2010 FPL figures are updated and released.

Cost-sharing under LIS in 2010

The low-income subsidies provide Medicare beneficiaries who have limited income and assets with a great deal of help paying their Medicare Part D costs.

If someone is awarded a **full LIS** in 2010 she will have:

- **No** monthly premium (if in a “zero-premium” Plan-see www.phlp.org for a list of 2010 plans);
- **No** annual deductible and **no** donut hole;
- Co-pays of \$1.10/\$3.30 or \$2.50/\$6.30 on prescriptions depending on her income and whether the drug is generic or brand name; and
- **No** co-pays for rest of the year once she reaches \$4,550 in out of pocket expenses (this includes individual co-pays and the amount paid by the subsidy).

Remember, anyone on Medicare who gets any help from Medicaid, automatically qualifies for the full LIS. Full dual eligibles (individuals with Medicare and full Medical Assistance coverage) who are institutionalized (i.e., in a nursing home or skilled nursing facility) **do not** have any cost-sharing under Part D and should **not** be charged even the small co-pays noted above for their medications.

If someone qualifies for a **partial LIS** in 2010, she will:

- Pay only part of the Part D Plan premium (25-75%) on a sliding fee scale depending on income and level of premium subsidy awarded;
- Have an annual deductible limited to **\$63** (if enrolled in a plan that has a deductible higher than this);
- **Have no** donut hole; and
- Pay co-pays limited to 15% of drug cost until her out of pocket costs reach \$4,550 (including the amount paid by the subsidy) and then pay only small co-pays (\$2.50 generics/\$6.30 brands) for rest of year.

Anyone interested in applying for a low-income subsidy is encouraged to call APPRISE (1-800-783-7067). Please contact PHLP (1-800-274-3258) if you have questions about LIS eligibility or cost-sharing, if you are denied the LIS, or if you experience any other problems with the LIS.

Changes to PACE/PACENET Partner Plans in 2010

In the last edition of SHN, we updated readers about the PACE/PACENET Partner Plans for 2010. Since that newsletter was published, Rx America (Advantage Star Plan) decided it would no longer partner with PACE/PACENET. This leaves 3 partner plans for 2010:

- Community CCRx Basic (Universal American)
- AARP Medicare Rx Saver (United Healthcare)
- Fox Value Plan (Fox Insurance Co)

PACE has taken steps to reassign their members who had previously been enrolled or assigned to Advantage Star Plan by Rx America. An updated list of 2010 PACE/PACENET Partner Plans is available at www.phlp.org.

Please support PHLP by making a donation through the United Way of Southeastern PA. Go to www.uwsepa.org and select Donor Choice number 10277.

SEP for Medicare Enrollees in Plans that Terminated at the End of 2009

Any individuals who were enrolled in a Medicare Advantage Plan with Part D coverage or a stand-alone Medicare Prescription Drug Plan that terminated at the end of 2009 and who have not yet enrolled in a new plan for 2010 have until the end of January 2010 to do so. This is because they qualify for a Special Enrollment Period that extends their Open Enrollment Period for an additional month to allow them extra time to enroll in a Part D Plan.

Remember, all dual eligibles and anyone else with an LIS who was terminated from their Part D Plan should have been auto-enrolled into a PDP by Medicare for drug coverage effective January 1, 2010. Individuals without an LIS needed to take action by December 31, 2009 and enroll in a plan in order to have drug coverage effective January 1, 2010. If these individuals failed to take action, they are without drug coverage in January; however, because of the Special Enrollment Period they can still take action before the end of January and enroll in a plan to have drug coverage start February 1, 2010.

Final Proposed Assisted Living Regulations Expected Soon

Consumers and advocates continue to await the publication of final proposed Assisted Living Regulations expected to happen by April. As detailed in previous editions of our newsletter, the proposed regulations were issued in August 2008 and interim draft regulations were released in June 2009. Stay tuned to future newsletters and our website (www.phlp.org) for notification about the final proposed regulations and analysis.



Pennsylvania Health Law Project
The Corn Exchange
123 Chestnut St., Suite 400
Philadelphia, PA 19106