



State Pharmaceutical Assistance Programs and Part D

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Overview

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- **Which States have SPAPs?**
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- **SPAP Transitional Grants**
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What is a SPAP?

*National Health Policy Forum (April 2004)

- State Pharmaceutical Assistance Programs (SPAPs) are state-sponsored programs that provide senior citizens and individuals with disabilities increased access to prescription drugs.
- These programs operate outside the state/federal Medicaid program and are usually funded exclusively with state dollars.

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What is a SPAP? (cont'd)

- **There are two types of SPAPs:**
 - Many states have direct-benefit programs, meaning that the state subsidizes the bulk of the prescription drug costs for enrollees, who contribute in the form of modest copayments and, in some cases, monthly premiums, deductibles, and coinsurance.
 - Many states that offer direct benefit programs also offer discount programs through which states help facilitate lower prices for prescription drugs. These discounts are typically provided either through the use of a discount card or through purchasing pools.

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What is a SPAP? (cont'd)

- All states provide coverage to those aged 65 and older, and some of the programs cover individuals with disabilities under age 65.
- Eligibility levels range from above the individual state's Medicaid eligibility requirements to up to 500 percent of the federal poverty level (FPL).
- A few states have moved toward offering the benefits regardless of income, adjusting costsharing requirements accordingly.

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Which States Have SPAPs?

- Alaska
- California
- Connecticut
- Delaware
- Florida
- Illinois
- Indiana
- Massachusetts
- Maine
- Maryland
- Missouri
- Montana
- North Carolina
- New Jersey
- New York
- Nevada
- Pennsylvania
- Rhode Island
- South Carolina
- Texas
- Vermont
- Washington
- Wisconsin
- Wyoming
- Virgin Islands

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Status of SPAP Enrollees

- SPAP enrollees are not considered dual eligibles
- The SPAP enrollment income requirements are above Medicaid limits
- Most SPAPs have a mix of Medicare Savings Plan Enrollees (MSP) and others
- CMS did not auto-enroll SPAP enrollees into Part D Plans

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Status of SPAP Enrollees (cont'd)

- If MSP eligibles have not chosen a Plan, CMS will facilitate their enrollment into a Plan effective May 1, 2006.
- For non-MSP SPAP enrollees who do not choose a Plan, CMS will not facilitate their enrollment into a Plan.

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SPAP PDP Enrollment Solutions

- Some SPAPs performed random auto-enrollment of their beneficiaries as their authorized representative to ensure Plan enrollment which mimics the CMS auto-enrollment process for dual eligibles.
- Other SPAPs are simply performing outreach in an attempt to have as many members enrolled as possible.

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Statutory and Regulatory Provisions for SPAPs Under the MMA

- Provides financial assistance for supplemental prescription coverage
- Does not discriminate among PDPs (no steering)
- Coordinates coverage with PDPs
- Does not change or affect primary payer status of a PDP
- Coverage based on financial need, age or medical condition – not employment status
- Does not receive Federal funding

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SPAP Transitional Grants

- The MMA made available transitional grants to SPAPs for transition and coordination expenses including:
 - 1. Educate SPAP participants eligible for the Medicare Part D benefit about the prescription coverage available under prescription drug plans (PDP)
 - 2. Provide technical assistance, phone support and counseling to help SPAP participants eligible for the Medicare Part D benefit select and enroll in Part D plans
 - 3. Support other activities that promote effective coordination of enrollment, coverage, and payment between the SPAP's and Part D plans
- Amounts available for grants in each year (2005 and 2006) is \$6.2 million.
- Grants are not available to SPAPs established after October 2003 (under the statutory provision of the MMA).

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SPAP Wrap-around Options

- SPAPs may share in all, or a portion of, the costs of Part D premiums, deductibles, copayment and other cost sharing (i.e. wrap-around).
- All SPAPs costsharing will count towards an enrollee's true out-of-pocket (TrOOP) expenses.
- Payment options may be a claim-for-claim coordination of benefit (COB) process through the TrOOP facilitator or a "lump sum" capitated approach.

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SPAP Issues

- Identifying/enrolling low income subsidy (LIS) eligibles to SSA
- Identifying the enrollee's PDP
- Ensuring that enrollee's premium payments are made timely
- Identifying enrollees who belong to an MA-PD or have employer retiree insurance coverage, prior to auto-enrollment

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SPAP Workgroup

- **On February 11, 2005, CMS convened the first meeting of the State Pharmacy Assistance Program (SPAP) Workgroup.**
- **This workgroup is comprised of representatives from CMS and States.**
- **Serves the purpose of exchanging and developing views, information, and guidance to SPAPs to ensure the successful implementation of the Part D Medicare prescription drug program established pursuant to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173; December 8, 2003).**
- **Meets bi-weekly.**

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