

## Message to Nursing Home Administrators On Medicare Prescription Drug Coverage

Medicare Prescription Drug Coverage will begin January 1, 2006 to provide prescription drug coverage for all people with Medicare. Starting January 1, 2006, state Medicaid programs will no longer provide drug coverage for people also covered by Medicare (also known as Full Benefit Dual Eligibles or FBDEs). State Medicaid coverage for *health care* coverage is not affected. Since two thirds of residents in nursing homes fall into this category, this federal program will be of critical importance to the residents of our nation's nursing homes.

All Medicaid beneficiaries who are eligible to receive benefits through both Medicare and Medicaid must enroll in a Medicare Plan offering prescription drugs to get this coverage. They will receive information from Medicare and from the plans in their area this fall. They can enroll in a plan that meets their needs. However, if they haven't joined a plan by December 31, 2005, Medicare will enroll them in a plan to make sure they don't miss a day of coverage. FBDEs can switch to another plan at any time.

The Centers for Medicare & Medicaid Services (CMS) will provide information on Medicare prescription drug coverage to all stakeholders over the next six months. Because of the issues unique to the long-term care population, we plan to use the Minimum Daily Set (MDS) distribution system to keep nursing home administrators informed about Medicare Prescription Drug Coverage as it applies to nursing home residents.

Approved Medicare prescription drug plans must provide at least a standard level of coverage to all enrollees. Coverage will be available through plans called Medicare "Prescription Drug Plans" (PDPs) or, if part of a Medicare Advantage Plan or other Medicare Health Plan, they will be called "MA-PDs". All plans will be required to cover enrollees in all nursing homes in their regions. They will also be required to meet specific service and performance criteria to ensure safe prescription drug administration in the nursing home setting. While plans may offer different formularies (lists of covered drugs), CMS will require plans to cover a range of drugs in the most commonly prescribed classes to make sure that people with different medical conditions can get the treatment they need. An exceptions and appeals process will be in place to ensure access to non-formulary drugs. The plans will arrange for medications to be packaged and made available to nursing homes through long-term care pharmacy providers. These will most likely include current pharmacy providers to nursing homes, as well as new organizations that are able to meet the CMS long-term care pharmacy standards. Nursing homes will be able to select from these pharmacy vendors to ensure that all of the residents have appropriate drug coverage.

FBDE's in a nursing home will receive continuous prescription drug coverage, with no premiums, no deductibles, and no co-payments.

Beneficiaries with limited income and resources who are not FBDEs, may qualify for extra help paying the cost of their prescription drugs. If they qualify, they will receive extra help to pay for premiums, deductibles, and co-payments. They will have to pay a copayment or coinsurance amount, depending on their income and resources.

More information concerning Medicare Prescription Drug Coverage as it applies to the long-term care population, and operational steps that will be necessary to ensure a seamless transition in 2006, will be forthcoming through this MDS distribution channel. Additional information and resources are also available at

<http://www.cms.hhs.gov>