

Health Services
Office of Medical Assistance Programs

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Authorized Signature

Topic: Medical Benefits

Subject: MMA client and provider announcements: OHP pharmacy benefit reduction

Applies to (check all that apply):

- All DHS employees
- Area Agencies on Aging
- Children, Adults and Families
- County DD Program Managers
- County Mental Health Directors
- Health Services
- Seniors and People with Disabilities
- Other (please specify): DHS staff and others identified on the SPD, CAF, OMHAS and OMAP transmittal lists

Message: OMAP is sending two announcements this week regarding the reduction in Oregon Health Plan (OHP) prescription drug coverage due to the implementation of Medicare Part D in January 2006. We are enclosing the attached client notice with December Medical Care IDs of all OHP clients who are dually eligible for Medicare and Medicaid.

We are also mailing all OMAP health care providers the other announcement attached to this IM. Their announcement will contain a copy of the client notice and a sample Medical Care ID showing the new benefit package designation, "D – OHP with limited drug."

If you have any questions about this information, contact:

Contact(s):	Monica Herrera, OMAP's MMA Pharmacy Coordinator		
Phone:	(503) 945-5916	Fax:	(503) 373-7689
E-mail:	monica.herrera@state.or.us		



Medicare Prescription Drug Program Reduces Medicaid/OHP Benefit

Beginning January 1, 2006, the new Medicare Prescription Drug Program will cover *most* prescription drug categories for people with Medicare. This new drug benefit will be Part D of Medicare coverage.

On January 1, 2006, the Office of Medical Assistance Programs (OMAP) will stop paying for the drugs Medicare Part D covers for clients who have both Medicare **and** Medicaid (Oregon Health Plan [OHP]) coverage.

OHP will cover some drugs that Part D excludes

There are several classifications of drugs that Medicare Part D will not cover, such as barbituates and benzodiazepines. Generally speaking, if OHP paid for a Part D-excluded drug before January, we will continue to cover it after Part D takes effect.

OHP will continue to pay for any OHP client's Part D-excluded drugs, **as long as prescriptions are for covered conditions and comply with all current Oregon Administrative Rules (OARs) and procedures.** See General Rules, [OAR 410 Division 120](#), Pharmacy, [OAR 410 Div. 121](#) and Managed Care, [OAR 410 Div. 141](#).

Check Medicare regulations for complete lists of their excluded drug categories/classes.

OMAP revised Medical Care IDs

OMAP Medical Care IDs will include a new benefit package for clients with both Medicare and OHP/Medicaid coverage.

Providers can identify OHP clients with Medicare Part D coverage through the notation "D - OHP with limited drug" in the benefit package field (9b) on the OMAP Medical Care ID.

The "D - OHP with limited drug" benefit package provides the same medical, dental and mental health coverage as the OHP Plus benefit package. OMAP is revising only the pharmacy benefit for "D - OHP with limited drug" clients as described earlier. An example of the OMAP Medical Care ID is attached.

The pharmacy benefit for all other OHP benefit packages will be unchanged.

Pharmacy providers: use the client's OMAP Medical Care ID and Medicare Drug Plan card

When a client presents an OMAP Medical Care ID, look carefully at the benefit package field (9b). If the benefit package is "D - OHP with limited drug," OHP will only pay for drugs Medicare Part D won't cover.

Bill the client's Medicare drug plan for all other prescription drugs. Medicare will pay for the majority of prescription drug classifications for these clients.

Be prepared

We encourage you to do the following:

- Contact your billing software vendor and/or corporate office to make sure that you can bill multiple payers, including private insurers, Medicare and OMAP, for services provided.

- Enroll as a Medicare provider, if you haven't already done so.
- Ask the Medicare Part D plans in your service area about contracting with them so that you can be paid for Medicare Part D services.

The Centers for Medicare and Medicaid Services (CMS) have posted the list of Part D plans on their Web site, <www.cms.hhs.gov>, so you can initiate contact.

OHP copayments still apply

If a client currently pays OHP copayments, they must still make copayments on the drugs OHP/Medicaid covers. See OAR 410-120-1230 for our copayment policy at:

<www.dhs.state.or.us/policy/healthplan/guides/genrules/main.html>.

Clients enrolled in Medicare Drug Plans

Clients with Medicare and OHP coverage have already been enrolled in a Medicare Prescription Drug Plan (PDP) in one of two ways:

- If a client's OHP Medical Plan also contracts as a Medicare Advantage Plan (MA-PD), the Plan automatically enrolls these clients into the MA-PD.
- Medicare is enrolling Medicaid clients who have an "open card" (fee-for-service). The Department of Human Services (DHS) and partners are contacting each of these clients to help them compare their assigned PDP with other available drug plans. Clients should change plans by December 31, 2005, if they find another plan they think better meets their needs.

OMAP informs clients about their Medicaid drug reduction

OMAP is mailing the attached announcement to clients with both Medicare and Medicaid (OHP) coverage. The announcement informs clients that OHP will stop paying for drugs covered by the Medicare Part D on January 1, 2006. The announcement also reminds clients that they need to be in a Prescription Drug Plan to receive the Medicare Part D drug benefit.

New rules will reflect new policy

We will adopt new Oregon Administrative Rules in the Pharmacy (410-121), General Rules (410-120) and Managed Care (410-141) divisions on January 1, 2006. See the proposed rules on the OMAP Web site: <www.dhs.state.or.us/policy/healthplan/rules/notices.html>.

Important Reminder

Beginning January 1, 2006, OMAP will not pay for prescription drugs that are covered by Medicare Part D, nor related copayments, even if a client drops out of their drug plan, or chooses a plan that does not cover all of their medications.

Questions?

Contact OMAP Provider Services for assistance:

- E-mail them at <OMAP.prov-callcenter@state.or.us>
- Call them at (503) 947-5515.



Reduction of Benefits Notice

This information is for any member of your household who has **both** Medicare and Medicaid (Oregon Health Plan) coverage.

On January 1, 2006, the Oregon Health Plan (OHP)/Medicaid will stop paying for most of your prescription drugs. Instead, a new federal program called the Medicare Prescription Drug program will pay for your drugs. You will automatically receive this drug benefit as Part D of your Medicare coverage if you are enrolled in a Medicare drug plan.

What this means to you

On January 1, you still will receive prescription drug coverage. However, Medicare will pay for most of your drugs. OHP/Medicaid will pay for a few types of drugs that Medicare won't pay for. Your pharmacy will know whether to bill Medicare or OHP/Medicaid for your drugs.

You must be in a Medicare drug plan to receive prescription drug coverage

You should already be in a Medicare drug plan. There are two kinds of Medicare drug plans:

- Medicare Advantage Plans (formerly called Medicare + Choice)
- Medicare Prescription Drug Plans

Your Medicare drug plan is sending you information about the drugs it covers and pharmacies it uses. You must go to a pharmacy your plan uses in order for your plan to pay for your drugs. Your plan will also send you a membership card.

You can change plans at any time before January 1, 2006, but, you **must** be in a Medicare Drug plan to receive the Medicare drug coverage. **Remember:** starting January 1, 2006, OHP will **not** pay for drugs that Medicare covers.

Drug copayments are required

Medicare requires you to pay your pharmacy a copayment of \$1 to \$5 for every drug you get. OHP will not pay your copayments for you. If you are in a nursing facility, you will not need to pay a copayment.

Pharmacies are informed — show your cards!

Your health care providers and pharmacies know about the Medicare Prescription Drug program. When you get a prescription filled, be sure to **bring both your OMAP Medical Care ID and your Medicare drug plan card** so that your pharmacy will bill the right agency.

Hearings are limited

You have a right to request a hearing. If you ask for a hearing because of the change in the federal and state laws, the hearing will be limited. To request a hearing for some other reason related to your Medicaid, fill out form DHS 443, "Administrative Hearing Request." You can get one from any DHS or AAA office or by calling your worker.

If you ask for a hearing, you may have another person speak on your behalf or have an attorney represent you.

The state cannot pay the costs for an attorney or witnesses. A Legal Aid Office or the local Bar Association may be able to help you.

Questions?

- ☎ If you have any questions about this information, call the Department of Human Services at 1-877-585-0007; 1-800-735-2900 (TTY).
- ☎ If you need this information in a larger print size or different format, call your worker.

The following statutes and rules relate to this notice: 42 USC 1396u-5; 42 CFR 423.900-423.906; Oregon Laws 2005 Chapter 754; OAR 410-120-0025; these rules as amended 1/1/06 (OAR 410-120-0000; 410-120-1200; 410-120-1210; 410-141-0000); OAR 410-120-1860; 410-120-1865; 410-141-0260 to 410-141-0264.

