

**Question**

What is CMS doing to address the transition of dual eligible individuals who present at a pharmacy after January 1, 2006 without having been auto-enrolled into a plan offering Medicare prescription drug coverage?

**Answer**

In spite of all best efforts to identify and auto-enroll dual eligible individuals prior to the effective date of their Medicare Part D eligibility, it is possible that some individuals may show up at pharmacies before they have been auto-enrolled. For this reason CMS has developed a process for a point-of-sale solution to ensure full dual eligible individuals experience no coverage gap. We are establishing a process whereby beneficiaries who present at a pharmacy with evidence of both Medicaid and Medicare eligibility, but without current enrollment in a Part D plan, can have the claim for their medication submitted to a single account for payment. The beneficiary can leave the pharmacy with a prescription, and a CMS contractor will immediately follow up to validate eligibility and facilitate enrollment into a Part D plan.

In order for this process to operate effectively there must be a uniform and straightforward set of instructions that all pharmacists can follow no matter which plan networks they are in or where they are in the country. This requires a single account administered by one payer. In addition, a national plan that offers a basic plan for a premium at or below the regional low-income premium subsidy amount in every PDP region will be able to both process the initial prescription (generally at in-network rates) and enroll the beneficiary in a matter of days, thus eliminating any gap in coverage. Therefore, CMS has contracted with Wellpoint, an approved national PDP, to manage a single national account for payment of prescription drug claims for the very limited number of dual eligible beneficiaries who have not yet been auto-enrolled into a Part D plan at the time they present a prescription to a pharmacy. Further details on our Point-of-Sale (POS) Facilitated Enrollment process are provided below:

**What is it?** A special type of facilitated enrollment which will permit a full-benefit dual eligible individual who presents him/herself at the pharmacy, and who the pharmacist discovers has not already been auto-enrolled a plan, to obtain a prescription at the subsidized copayment amount before leaving the pharmacy and to be rapidly enrolled into a PDP with a fully subsidized premium.

**Who does it apply to?** This special facilitated enrollment would apply only to full-benefit dual eligible individuals, and not to the deemed (SLMB, QMB, QI-1) population, or Medicare-only beneficiaries.

**Why?** In spite of all efforts to identify and auto-enroll dual eligible individuals prior to the effective date of their Medicare part D eligibility, it is possible that a limited number of individuals may present at pharmacies before they have been auto-enrolled. For instance, this could occur when an individual becomes newly qualified for Medicaid in-between the dates on which the state creates the monthly files for CMS.

**When?** This process will be operational by January 1, 2006 to catch any potential full dual missed in auto-enrollment.

**Where will the facilitated enrollment begin?** The process of facilitated enrollment will start at the pharmacy with the pharmacist billing a special Wellpoint account that will set off a series of steps described below.

**How is this facilitated enrollment enabled?** CMS has contracted with two vendors that will coordinate to expedite the facilitated enrollment process. The first vendor is Wellpoint, a national PDP (“POS Contractor”) that can provide point-of-sale access and offer plans below the low-income premium subsidy amount in every region. The second vendor is Z-Tech, a CMS contractor (“Enrollment Contractor”) that can expedite validation of dual eligibility and return independently verified information on the individual’s eligibility for enrollment to the national PDP.

It is important to understand that since there is no fee-for-service component of Part D, the only way to process a claim at point-of-sale is through a Part D plan that has an account set up in advance to match the beneficiary and accept the claim. This POS Contractor will maintain a pre-established service account to handle the initial processing of the claims, and will clear transactions from this account as soon as the Enrollment Contractor returns validated information. Claim transactions for verified duals will be cleared by retroactively enrolling the dual eligible individual into the plan and reprocessing the initial claim with the correct member record. Claim transactions for individuals who are determined to be ineligible (no Medicaid and/or Medicare status) will be reversed to the pharmacy for collection. Note that this provides an incentive for the pharmacy to bill the special account as accurately as possible, a control that our pharmacy industry contacts endorse.

Selected pharmacy industry contacts from both chain and independent pharmacies have commented on this process, and agree that it is a reasonable approach to addressing the potential gap in coverage. They are most concerned with being able to continue to serve their customers returning to the store after January 1, and believe this process will

allow them to do so in the most seamless way possible for the beneficiary. They have suggested that allowing a pharmacy (particularly an out-of-network pharmacy) to limit the initial dispensing at its discretion would also limit pharmacy liability for false positives.

**What will this process look like?**

1. Full dual presents at the pharmacy with either a Medicaid card, or previous history of Medicaid billing in the pharmacy system patient profile.
2. Pharmacist bills Medicaid and the claim is denied.
3. Pharmacist requests photo identification and checks for Part D enrollment by: Submitting an E1 query to the TROOP facilitator; pharmacist also checks for A/B Medicare eligibility by:
  - Requesting to see a Medicare card; or
  - Calling 1-800-MEDICARE; or
  - Requesting to see the Medicare Summary Notice (MSN);
4. If the E1 query returns Part D plan enrollment information, the pharmacist bills the appropriate plan. Otherwise, this process continues only if the pharmacist can not identify the appropriate plan to bill and the pharmacist is able to verify both Medicaid eligibility (step 1) and Medicare eligibility (step 3).
5. The Pharmacist enters the claim into the automated pharmacy system, including available data on the beneficiary as to name and ID number (HICN, Medicaid ID number, or SSN), as well as date of birth, address, and phone number. Note that pharmacies routinely collect this information at point-of-sale anyway in accordance with state pharmacy laws.
6. Pharmacist submits the claim to the single pre-established service account indicated on the POS Contractors payer sheet, and in response to the paid claim response provides the prescription drug to the beneficiary at the \$1/\$3 cost sharing level.
7. The POS Contractor processes the claim as paid (network pharmacies) or as a captured response (out-of-network pharmacy).
8. If the pharmacy is out-of-network then special instructions would be sent to the pharmacy to establish the mechanism for payment.
9. The POS Contractor sends a daily file to the Enrollment Contractor on the beneficiary data submitted with these paid claims.
10. The Enrollment Contractor uses this information to validate dual eligibility via access to CMS and state systems and returns validation of eligibility or ineligibility to the POS Contractor.

11. If the individual is verified to have dual eligibility and has not been enrolled in a Part D plan, the POS Contractor would immediately submit an enrollment transaction on behalf of the dual to enroll him/her to a POS Contractor plan retroactively. Normal rules for duals opting out of the plan would apply.

12. If the beneficiary is a full dual and already enrolled in a Part D plan, the claim will be reversed and the pharmacy will bill the appropriate Part D plan.

13. If the beneficiary is Medicaid only, the claim will be reversed and the pharmacy will bill the appropriate state agency.

14. If the person claiming dual status is found to be Medicare eligible only, the Enrollment Contractor will notify the beneficiary by letter that s/he is ineligible for the facilitated enrollment service but may enroll in a Part D plan under normal enrollment rules, and the claim will be reversed to the pharmacy for collection.

**How will this process be communicated to pharmacies and pharmacists?**

1) Wellpoint will provide the details of this process on its industry “payer sheet” – the mechanism utilized in the pharmacy industry to communicate billing processes among pharmacies, switches and processors (payers). Payer sheets are picked up by pharmacy IT staff and software vendors and systems are coded to automate as much as possible.

2) CMS is producing a CD-ROM for distribution to the bench pharmacists that will address these instructions, as well as use of the E1 (eligibility) query, coordination of benefits, and other issues of concern to pharmacists. This CD-ROM is targeted for completion early December. It will be distributed to our pharmacy contacts, and will be available upon request from CMS. Part D plans will be encouraged to advertise the CD-ROM or to make copies available to their network contacts.

3) This process will be spotlighted on a number of regularly scheduled conference calls with NCPDP members, Part D plans, and Regional Office Pharmacy Outreach staff as soon as all procurement-sensitive arrangements have been resolved.