

Pharmacy Technical Overview: Access to Medicare Prescription Drug Benefits for Katrina Displaced Beneficiaries

Despite the displacement of thousands of individuals resulting from Hurricane Katrina, the Medicare prescription drug benefit will be implemented on time, nationwide, for all individuals. The Centers for Medicare and Medicaid Services (CMS) plans to complete all implementation milestones – including the automatic enrollment of full-benefit dual eligibles – as planned. However, we recognize that the dislocation experienced by many Medicare enrollees in the affected areas has the potential to disrupt their access to prescription drugs once the Medicare prescription drug benefit is implemented on January 1, 2006. For this reason, CMS has developed a strategy that will allow all enrollees receiving extra help from Medicare to remain in the plans into which they have been enrolled – whether that enrollment was automatic or voluntary – and to obtain their drugs outside the plan’s service area.

Many of the plans in the affected areas serving beneficiaries receiving extra help are national plans and, as result, will have national pharmacy networks that will provide convenient access to retail pharmacies no matter where they currently (or temporarily) live. However, because not all Katrina displaced individuals will enroll in national plans or necessarily go fill their prescriptions at plan network pharmacies after their Medicare prescription drug benefits begin, we have developed a strategy that leverages our electronic coordination of benefits process and our out-of-network (OON) access policies so as to protect beneficiaries receiving extra help. Because many individuals receiving extra help will be automatically enrolled into a Medicare prescription drug plan by CMS in order to ensure their prescription drug coverage does not lapse, they may not be enrolled in a plan that includes in its network a pharmacy that is convenient for the beneficiary based on his or her new location. Given mail disruptions and prolonged displacement situations, beneficiaries who have been automatically enrolled in a prescription drug plan may not even be aware that they can make enrollment changes before their coverage under the Medicare prescription drug benefit begins.

Although pharmacies that do not participate in plans’ networks typically do not have the ability to process payments electronically with those plans (because the plan does not recognize the pharmacy’s NABP or NCPDP number and automatically rejects the claim), out-of-network pharmacies can work through our TrOOP facilitation process to identify an individual’s Medicare prescription drug plan and then work with that plan to arrange electronic billing. We are asking pharmacies nationwide to support the following process whereby, when an affected Medicare prescription drug plan enrollee receiving extra help from Medicare presents at an out-of-network pharmacy, he or she will obtain his or her covered Part D drugs and pay only the cost-sharing that would have been applicable at a network pharmacy:

- You will submit an “E1” eligibility query to CMS’s TrOOP Facilitation Contractor to obtain enrollment information for the beneficiary.
- The TrOOP Facilitation Contractor will send you an electronic response that will include the electronic address (BIN, PCN, Group#, Member ID#) needed to bill the beneficiary’s plan.

Katrina Out-of-Network Overview

- When rejecting an out-of-network (OON) claim, the plan will return a message in a free text message field on an electronic claim rejection to you indicating that the individual in question is a possible Katrina evacuee and instructing you to contact the plan for payment.
- System reprogramming by the plan should include the establishment of a “Katrina Network.” This network would be used for displaced Katrina low-income subsidy eligible enrollees receiving services from any OON pharmacy, including yours. This network would reimburse the claims as follows:
 - F5 - Patient Pay Amount = Member’s Full Benefit Copay
 - F9 – Total Amount Paid = Provider’s submitted U&C – Member’s Full Benefit Copay
 - F6 – Ingredient Cost Paid = Total Amt Paid
 - F7 – Dispensing Fee paid = \$0.00
 - FQ – Response Additional Message = Katrina Network – OON Override. Please refer member to [Plan Name] at: 1-800-123-4567 to update records for future services.
- When you contact the plan, your NCPDP number should be added to the Katrina Network, and the Katrina Network should be linked to the beneficiary’s profile. Once the Katrina Network override is completed, the plan will instruct you to reprocess the claim. The plan’s claim response will include the beneficiary’s copay amounts and total amount paid as outlined above.
- Upon contacting the plan, you may be asked to obtain updated contact information so that the beneficiary’s plan can locate him or her and discuss future residence plans.
- We are encouraging plans to take advantage of the NCPDP provider IDs added to the Katrina Network and contact your or your corporate offices, to negotiate a contract so that your pharmacy becomes a network pharmacy that the beneficiary can use during the period of his or her displacement.

We believe that this process, which all Medicare prescription drug plans in the affected area will be required to put in place prior to the Medicare prescription drug benefit’s implementation on January 1, 2006 will minimize service disruptions for the most vulnerable beneficiaries displaced as a result of Katrina – those receiving extra help from Medicare. Ultimately, our process will allow these beneficiaries to receive their Medicare prescription drug benefits seamlessly and irrespective of their location, while at the same time enabling CMS to implement the Medicare prescription drug benefit without delay for all beneficiaries.