

Final 2007 Transition Guidance Changes from Draft Guidance

CMS appreciates all the public comments received in response to the draft 2007 transition guidance. In order to balance different viewpoints from various stakeholders and ensure the smoothest possible transition for new plan enrollees stabilized on non-formulary medications, we have made the following modifications to the draft 2007 transition guidance.

Edits for Transition Supplies: CMS has clarified the types of edits plans may establish for transition supplies. Plans may establish step therapy or prior authorization edits for transition supplies only if those edits can be resolved at the point of sale. Irrespective of transition, all of these edits are subject to exceptions and appeals.

Transition Notices: CMS has clarified the minimum standards for plan notification of affected enrollees about the dispensing of a transition supply. Plans will be required to send a written notice, via U.S. mail, to affected enrollees within 3 business days of a transition fill. In addition, we strongly encourage point-of-sale notification of enrollees about transition supplies by pharmacists. We are working with the pharmacy and drug benefit industry, including the National Council for Prescription Drug Programs (NCPDP), to incorporate a work-around process for using structured payment coding in the message field of billing transaction responses indicating that a particular fill is a transition supply. This process will be consistent with the current NCPDP 5.1 standard. We will require plans to adopt this messaging, as well as require their trading partners (including pharmacies) to use and implement it for 2007 and until such time as such messaging is superseded by a new HIPAA-approved standard with appropriate coding.

Public Notice of Transition Process: CMS has clarified the requirements for plans to make information about their transition processes available to current and prospective enrollees and other stakeholders. Plans will be required to make available transition process information via a required link from the Medicare Prescription Drug Plan Finder to individual plan websites. Plans must also include this information in pre- and post-enrollment materials as appropriate.

Transition Process in the LTC Setting: CMS has defined both transition and emergency fill requirements for enrollees residing in LTC facilities. Plans must dispense 31-day transition supplies -- with multiple refills as necessary during the entire length of the 90-day transition period for new enrollees. In addition, plans must dispense 31-day emergency supplies of non-formulary Part D drugs for current enrollees outside their 90-day transition period when an exception is being processed.

Current Enrollee Transitions: CMS has clarified its expectations regarding transitions for current enrollees experiencing level of care changes. Plans are encouraged – but not required – to incorporate processes in their transition plans that allow for transition supplies to be provided to current enrollees with level of care changes. For these unplanned transitions, beneficiaries and providers must clearly avail

themselves of plan exceptions and appeals processes. In addition, enrollees entering LTC settings from other care settings will be provided a 31-day emergency supply of non-formulary drugs while an exception is being processed.