California State Board of Pharmacy
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Meeting Summary

Subcommittee on Medicare Drug Benefit Plans
June 28, 2006
1-2:30 p.m.

Department of Consumer Affairs
El Dorado Conference Room
1626 N. Market Boulevard
Sacramento, California

Present: Bill Powers, Board President and Chair
Andrea Zinder, Board Member
Ken Schell, Board Member

Patricia Harris, Executive Officer
Virginia Herold, Assistant Executive Officer

President Powers called the meeting to order at 1:05 p.m.

He explained that the purpose of the meeting was to discuss the implementation of the Medicare Prescription Drug Act, and specifically the Part D Benefit. These changes began 1, 2006, and represent an enormous change in the Medicare benefit program.

Teresa Miller, PharmD, Department of Health Services MediCal Program, provided an update of the state's implementation of the program and current issues for California. She explained that the state's initial emergency program to assure drug coverage for patients during assignment to a specific Medicare drug plan ended May 17. However, this emergency program has now been extended through legislation until January 1, 2007. Since mid-May when the extension program was enacted, there are new procedures that require a number of steps that pharmacies must first do before seeking TAR authorization if drugs are seemingly not covered for a patient by a plan. The result has been a significant drop in TAR requests to the Department of Health Services.

Dr. Miller noted that MediCal is receiving substantially fewer problems about the program than they received in the first few months. The principal problems they do receive include Medicare system errors, eligibility problems, copayment problems and the plan some patients are in are not the best plan for the drugs prescribed for them.

Summary data regarding the MediCal emergency coverage program as shared by Dr. Miller is:

	1/2/06 – 5/16/06	5/17/06-6/27/06
Number of Claims	618,400	5,250
Number of Beneficiaries	178,200	3,028
Costs	$58.4 million	$764,000

Michael Negrete, PharmD, California Pharmacists Association, agreed with Dr. Miller and noted that problems with the Medicare Part D program are substantially less than in the first few months of 2006. He added that the TAR process is still a bit complicated and requires a lot of staff in the pharmacy to pursue and resolve. In smaller pharmacies, using this procedure is problematic because of the fewer staff available.

Margaret Riley, HICAP, stated that about 50 percent of the calls to HICAP are now from a patient's caregiver/family seeking assistance. While there are fewer calls, the calls they do receive are more difficult and there are few options for assisting these patients.

She indicated that many seniors are paying more for their medications that they did last year when the drug companies operated special discount plans. This is especially true for those in the "donut hole" where the patient is fully responsible for all medication expenses. She stated that the Medicare program's drafting selects against a very vulnerable population.

Dr. Negrete stated that over the last few months, one positive aspect of the program is that patients are getting used to the copayment requirement. Some problems that remain are calls to a plan's help desk, issues arising when there is no coverage, billing lags, and patients who never receive or bring their plan's ID cards to the pharmacy. The major issue for pharmacies is the timeliness of payments and the reimbursement checks arrive without identification of what claims are being paid. He indicated there are some problems for patients in rural areas getting to the pharmacy where their plan is accepted.

Dr. Negrete provided a summary of the first pharmacy summit held in May in which pharmacies and health care plans agreed to form workgroups to resolve problems. As a result of this meeting, two major work groups have to been formed to focus on:

1. communication about the programs – to establish a single location where pharmacy bulletins can be posted, better information about patient assistance programs will be shared, and a process for message exchanges between pharmacies and third party payers on adjudication of claims.
2. Prior authorization group -- to decrease problems with TARS and secure prior authorization systems with the plans.

These work groups are meeting at least monthly at the present time. There will be a future meeting of the entire group to highlight progress and resolutions.

John Gallapaga, California Health Advocates, stated that copay problems are still the key problem for patients. He also announced the creation of a discussion web page by California Health Advocates to reflect current issues and problem areas in Part D and potential solutions. The Web site is expected to "go live" about mid-July.

Virginia Herold provided an update obtained earlier from CMS, which was unable to attend this meeting. Lucy Saldana, PharmD, advised Ms. Herold that in 2007 the following changes to the program are envisioned:

- During transition from one plan to another, a patient's 90 days of gap coverage when shifting to a different drug plan will actually begin when the patient first submits a prescription through the new plan, not when the actual date of transfer to the plan begins. For example, for patients that receive a 90 day supply of medication at the end of one plan's coverage, the new transition would not begin until the first prescription is submitted, thus some patients could have 90 days plus nearly another 90 days of medication.
- Changes in the formularies – for new drugs that come on the market that are within the six classes of drugs that must be on the formulary, a plan's pharmaceutics committee must perform a review of the drug within 90 days.
- As of August 7, the list of drugs on a plan's new formulary for 2007 must remain as listed until January 2007. This will enable patients to better select a new plan during annual enrollment.
- During the 60 days of annual enrollment, plans' call centers must be open 8 a.m. to 8 p.m., seven days per week, in the time zones where the patients reside.
- Plans will be required to answer 80 percent of incoming calls from pharmacies without 30 seconds, and the abandonment rate cannot exceed 5 percent.

President Powers thanked those who attended this meeting and are working towards improving the Medicare drug program for patients.

There being no additional business, President Powers adjourned the meeting at 2:30 p.m.