

**[Slide #1] Medicare – How It’s Changing to Help More People:
A Teleconference Series for Healthcare Professionals**

Helping Patients Choose a Medicare Part D Plan

Tuesday, October 18, 2005

Noon, Eastern Time

Linda Keegan: **[Slide #2]** Thank you. Hello, everyone. As the Operator said, my name is Linda Keegan. I’m the Executive Director of Kidney Care Partners. KCP is an alliance of patient advocates, dialysis professionals, providers, and suppliers, all working together to improve the quality of care for individuals with kidney failure. KCP stimulated the creation of the Kidney Medicare Drugs Awareness and Education Initiative, which is sponsoring this broadcast.

[Slide #3] This initiative was established to educate professionals and people with kidney disease about the new Medicare prescription drug coverage.

[Slide #4] Nearly 40 organizations representing patients, professionals of all disciplines, government, and industry participated in it.

We're glad you joined us today. I'd like to welcome you to the third of six teleconferences that are part of this initiative. The series is entitled *Medicare – How It's Changing to Help More People*.

[Slide #5] Our first teleconference described upcoming changes to Medicare and the extra help available for individuals with limited income and resources. Our second teleconference addressed how Medicare's new drug coverage will coordinate with other types of coverage the patients already have.

If you missed either of these two teleconferences, you can find the transcripts, audio, and PowerPoint presentations on our website at www.kidneydrugcoverage.org.

[Slide #6] Starting on November 15, 2005, anyone with Medicare may choose a Medicare drug plan. Those with Medicare and Medicaid must choose a plan by December 31, or Medicare will choose a plan for them. Others have until May 15, 2006 to choose a plan, but individuals who spend more for drugs can save the most if they choose a plan by December 31.

Our goal is to help people with kidney disease and kidney failure make the best decision about whether they need a Medicare drug plan, and if they do, which plan will help them afford the drugs they need to live long, healthy, and enriched lives. This teleconference series is one of the many ways the Kidney Medicare Drugs Awareness and Education Initiative is working to meet that goal.

[Slide #7] So let's get started. I'd like to introduce you to our moderator, Maureen McKinley. Maureen's a social worker at DaVita and a past chair of the National Kidney Foundation's Council of Nephrology Social Workers. She'll introduce our other speakers. Maureen?

Maureen McKinley: Thank you, Linda. I'm very happy to be here today to moderate this teleconference, which will inform healthcare professionals how to help people choose a Medicare drug plan. With me today are --

Tom Dudley from CMS Division of Website Project Management, the division that designed tools to help people compare and choose a plan;

Patricia Fuller of CMS Beneficiary Information Services Group, who will tell us more about the Medicare Help Line;

Nancy Oliker, Director of Part D Education for UnitedHealth Group, that offers a national Part D plan; and

Wendy St. Peter, a pharmacist, and a member of the ESRD Network 8 Technical Expert Panel that recommended drugs for people with kidney disease to CMS for Part D formularies.

[Slide #8] As we've said in our previous teleconferences, Medicaid's new prescription drug coverage will help many people with Medicare pay for some of their prescription drugs. However, those with drug coverage that is as good as Medicare's new benefit may not need it. They should get a creditable coverage notice from the sponsor of their drug coverage, either their employer or plan. This notice will tell them if their plan is, on average coverage, as good as the standard Medicare prescription drug coverage.

[Slide #9] Medicare prescription coverage is not free. However, Medicare believes that one in three Medicare beneficiaries will qualify for the low-income subsidy, also called *extra help*, because they have limited income and resources. If they didn't get notice that they get *extra help* automatically, they can apply for it through the Social Security Administration at www.socialsecurity.gov, or by calling 1-800-772-1213. TTY users can call 1-800-325-0778.

Anyone who doesn't have creditable coverage should look at options for Medicare prescription drug coverage. Today's conference should give everyone more information about how they can do that.

Tom, what are key things people should keep in mind when trying to find the best plan for them?

Tom Dudley: Thank you, Maureen. I'm glad to be able to participate in the call today to provide your listeners with some information.

Before answering that question, I'd like to let everyone know that although there has been a lot of talk about delaying the implementation of the new Medicare benefit, the program is scheduled to roll out as planned on January 1.

[Slide #10] Here at CMS, we want people to keep in mind *coverage, cost, and convenience*. Medicare beneficiaries want to know that the drugs they take are covered on the plan's list of covered drugs or formulary. A plan that doesn't cover the drugs an individual needs may not be much help for that individual.

Maureen McKinley: So for people with kidney disease, it's important for them to not only look at the drugs they take now but those that they may take in the future if their health or treatment changes. Their doctors or nurses could help them make a list.

Tom Dudley: Absolutely. No one can predict the future medications needed with any certainty, but people that work with beneficiaries with kidney disease or kidney failure can help them identify the drugs that may be important to them in the future. Sticking with the coverage cost and convenience message, it would probably be valuable to the beneficiary to compare these things when choosing a plan to enroll in.

[Slide #11] First, they need to look at the plans that have a broad formulary that covers many drugs, especially those commonly used to treat kidney disease before kidney failure and drugs people might take if they're on dialysis or have a kidney transplant.

Second, look at the total annual costs associated with each available plan. This includes the premiums, deductibles, and prescription cost share at each coverage level. The plans with the lowest annual cost may be worthy of additional investigation by the beneficiary to see whether they cover all or most of the drugs they need.

Third, they should look at accessibility for the plan. See what pharmacies are in the plan's network, especially those close to the beneficiary's home or that offer mail order. Those who are snowbirds may want to look for plans that are available in both states where they reside or at least provide prescription access beyond the immediate service area for the plan.

Maureen McKinley: Wendy, are there certain kinds of drugs that must be covered by all Medicare drug plans?

Wendy St. Peter: [Slide #12] Yes, hi, Maureen. The answer is yes. All Medicare drug plans must cover cancer medications, HIV/AIDS treatments, antidepressants, antipsychotics, anticonvulsants, and immunosuppressants, which are important to our transplant patients. The law requires plans to cover “all or substantially all” of these drugs. Formularies do not have to include multi-source brands of the identical molecular structure, extended release products, or all dosages for those six categories of drugs mentioned above. For other categories of drugs, plans must cover at least two drugs in each therapeutic class.

Maureen McKinley: What kinds of drugs won't be covered?

Wendy St. Peter: [Slide #13] By law, certain drugs can't be covered by a standard Medicare drug plan. These include drugs for anorexia, weight loss or weight gain, for fertility, cosmetic purposes or hair growth, cough and cold medicines, nonprescription or over-the-counter drugs, barbiturates (like Nembutal® or Seconal®), and Benzodiazepines (such as Restoril® or Ativan®). Prescription vitamins and minerals also cannot be covered, except for prenatal vitamins for a preparation and oral vitamin D products, which could be valuable to our dialysis or chronic kidney disease population.

Medicare beneficiaries have the option to choose an enhanced plan. These enhanced plans can cover drugs excluded from standard plans. However, just because a drug *can* be covered does not mean it *will* be covered. It's still important to compare plans.

Maureen McKinley: Tom, how can people learn what drug plans cover?

Tom Dudley: [Slide #14] There are several sources. First, a beneficiary can contact each plan provider directly to find out what drugs are covered under the plans' formularies. With the number of organizations and plans that are offered, this could be very time-consuming for a beneficiary. This is one of the reasons why CMS developed a tool called the Medicare Prescription Drug Plan Finder that resides on www.medicare.gov.

This tool provides customized cost-sharing information for prescription drug plans, or what's often referred to as PDPs, and for Medicare Advantage Prescription Drug Plans, as well as Special Needs plans based on individuals' eligibility or ineligibility for the help paying for their premiums or prescription drugs. The Medicare Prescription Drug Plan Finder has many features and many features that are yet to come. Users have three search options available to access the drug plan information.

[Slide #15] Using the **authentication route**, the user would enter their Medicare or Railroad Retirement number, often referred to as the “HICN” number. They would enter the last name, their date of birth, Medicare Part A

or Part B effective date, and their zip code. If the information matches the Medicare beneficiary database, we are able to customize messaging regarding what action the beneficiary should take pertaining to the Medicare prescription drug coverage, and we can display current plan enrollment information and customized cost share information based on their eligibility for extra help.

Although that is our preferred route, a user can also use the **general search route** if he or she either does not have the five data elements or chooses not to enter the information. Users can still access detailed cost-sharing information for available prescription drug plans, but the information is based on how they answer the questions rather than the information contained in the Medicare beneficiary database about that beneficiary.

Users who have already done the research on available prescription drug plans and know what plan they wish to join will be able to use the **enroll directly route** starting November 15. This feature will allow the user easy access to the Online Enrollment Center to submit an enrollment form to the plan of their choice.

[Slide #16] One thing that wasn't released with the tool yesterday was the detailed cost-sharing information, where you could go in and enter your specific drugs. That will be added, and we hope to have that available next week. With that functionality, individuals will be able to get detailed formulary information with the cost-sharing pieces, see all the pharmacy information, see the cost-sharing based on the coverage level that they're currently in—it would be an annualized amount. It's pretty robust, but it gives them a global picture of what each plan will offer them.

[Slide #17] Next, the Online Enrollment Center will be available November 15, 2005 as an integrated part of the Plan Finder tool and will accept enrollments from beneficiaries that do stand-alone PDPs, or prescription drug plans, and Medicare Advantage prescription drug plans that opt to participate in the Online Enrollment Center. The November 15 date was picked because that's the initial enrollment period—the start of the initial enrollment period.

[Slide #18] Before using the tool, beneficiaries should make a list of their drugs, dosages, and the numbers they take per month. Most of that is found on their prescription bottles. If they want to see what savings they could have, they should also list what they last paid for their drugs. They can enter up to 25 drugs at a time in the tool. They can choose a pharmacy, but doing so may narrow the options. So, actually, we suggest waiting to look at the plan the tool provides to see what pharmacies are on that plan's network.

[Slide #19] The tool will allow users to compare up to three plans side by side with their premium, deductible, cost share, and pharmacy. The tool will

provide information about which drugs on a plan require prior authorization. A Spanish version of the Drug Plan Finder will be available November 15th.

Maureen McKinley: Tom, what if someone has vision problems or doesn't have the Internet?

Tom Dudley: Okay. A couple different options are available. The Drug Plan Finder is fully compliant with the requirements of Section 508 of the Americans with Disabilities Act that dictate the accessibility requirements for federal websites. People can view the Drug Plan Finder in a larger font size or use the screen—or use screen-reader software, such as JAWS, commonly used by a visually impaired individual. Those who don't have Internet access can either go to a library, ask a family member, friend, neighbor, or even the healthcare provider to help.

Maureen McKinley: Pat, what about those who don't want to use the Internet?

Patricia Fuller: [Slide #20] Well, we have a couple of different options for those beneficiaries who don't want to use the Internet. This month, beneficiaries will begin to receive their *Medicare and You 2006* handbook for their region. In their handbook, it includes all the contacts for the prescription drug plan and Medicare Advantage Prescription Drug Plan in their region.

They can call the plans to request information on any or all of the plans available. The Spanish version will be published in January. People can also call a customer service representative (CSR) at 1-800-MEDICARE. That number is 1-800-633-4227. TTY users can call 1-877-486-2048. If callers give their zip code, they can learn what plans are available in their area. As Tom mentioned before, to get more personalized information, callers can answer some identifying question, and the CSR would access the drug plan's finder tool to give them a more customized result.

Using the computers, the CSRs can tell the callers if they have drug coverage in their Medicare Advantage plan and whether their employer is claiming them for a retiree subsidy. They also can tell them whether they will get extra help and at what level. CSRs can give general information about the new Medicare prescription drug coverage benefit, and they can use the Drug Plan Finder tool to get a plan comparison and mail them a customized booklet with the comparison of plans in their area.

CSRs are also able to mail other Medicare publications to beneficiaries. They use the Medicare-approved drug scripted information to answer these questions, and much of this information is also available at the partnership website, which is www.cms.hhs.gov/partnerships. The information is updated weekly to keep partners up to date on the latest information about the prescription drug plan. Starting November 15, customer service representatives can also enroll Medicare beneficiaries into the Medicare drug

plan into those plans that accept online applications.

Maureen McKinley: What if they get the low-income subsidy? Tom, can the tool or CSR help them know what a plan and their drugs will cost?

Tom Dudley: **[Slide #21]** Yes. If they use the authentication search option, they'll be able to find out the cost share for each plan based on their subsidy level by visiting the Drug Plan Finder or by calling 1-800-MEDICARE. Like Pat said, they can also get information regarding whether or not they're already involved in a Medicare plan or if their employer is paying the subsidy for them.

Maureen McKinley: Nancy, how much will plans cost?

Nancy Oliker: **[Slide #22]** Well, good afternoon, everyone, and thank you for letting me part of this teleconference. Maureen, the short answer to your question is it depends. Probably everyone has heard about the Medicare drug plan design that included a monthly premium, a \$250 deductible, a 25% coinsurance for the next \$2,000 in covered drug costs, and then a coverage gap of \$2,850 in covered drug costs.

Now that the plans have been published, Medicare says that the average premium is about \$32 per month, but premiums can vary by region and by coverage. Some plans have no or low premiums. Others have no deductibles. And some may even pay for generic drugs during the coverage gap. Standard plan cost shares do not apply to those who receive extra help.

[Slide #23] For those without extra help who buy drugs valued at \$5,100 in 2006 and pay about \$3,600—will pay about \$3,600 for them. Help they get from family, friends, state pharmacy assistance programs, and charities count as if they paid it themselves. For the rest of 2006 then, they would pay 5% of the covered drug cost or about \$2 per generic or \$5 for brand name for each, whichever is more.

Maureen McKinley: How much will people who get extra help pay?

Nancy Oliker: **[Slide #24]** Those with incomes less than 135% of the federal poverty level will pay a \$1 to \$2 co-pay for generics and \$3 to \$5 co-pay for brand-name drugs depending on their income and resources. After the cost of the drugs, [indiscernible] reach is \$5,100; in 2006, they will pay nothing.

Those with incomes up to 150% of the federal poverty level will pay a sliding scale premium, and then they'll also pay a \$50 deductible and 15% of their drug cost. Once the cost of their drugs reaches \$5,100 in 2006, then they would pay \$2 for generic or \$5 for a brand name and co-payment.

Maureen McKinley: Will some plans offer more benefits?

Nancy Oliker: Yes. Those are called enhanced plans, and enhanced plans may offer a broader formulary, lower cost sharing, and/or a wider network of pharmacies. They may have a higher premium, so you need to contact the plan provider to find out more about the cost, the coverage, and the convenience of these plans. You can also use the Drug Plan Finder that we just heard about or call 1-800-MEDICARE.

Maureen McKinley: How can people enroll in the plan?

Nancy Oliker: **[Slide #25]** Medicare beneficiaries can join a plan or their authorized representatives can help them join. Applications are available online. You can also request them by phone or by mail once beneficiaries know what plan they want. Once the plan receives a person's application, that plan will then mail them a membership packet and an ID card.

[Slide #26] You can also have your premiums—you can pay for your premiums a number of ways. You can either have the premiums deducted directly from your Social Security or Railroad Retirement benefits. They can be paid by check. They can be transferred electronically from a bank account or billed on a credit card.

Maureen McKinley: What can people find out if they call the plan?

Nancy Oliker: **[Slide #27]** They can find out what pharmacies are in the plan's network, the cost, and what drugs are covered. Drugs are listed on the formulary in separate sections by medical condition and alphabetically. So, for example, they could look up their ACE inhibitor under the category *Cardiovascular Agent*, class, *ACE inhibitor*, or by its brand or generic name.

Maureen McKinley: How often can a plan's formulary change?

Nancy Oliker: **[Slide #28]** Well, first of all CMS must approve all formulary changes. To keep the search tools up to date, plans must share their formularies with CMS every month and share drug prices with CMS every week. A plan must notify beneficiaries 60 days in advance before making any formulary changes. However, a plan doesn't need to notify a patient in advance if the FDA declares a drug unsafe. In this case, the plan would immediately take the drug off its formulary.

But most formulary changes will happen when new drugs are introduced or approved. Patients can call their plans' customer service department for questions about formularies and changes.

Maureen McKinley: Wendy, what can patients do if their plan's formulary changes and a drug is no longer covered?

Wendy St. Peter: [Slide #29] There may be other similar drugs that will meet the patient's needs. The patient should ask the plan what drugs in that category and class are covered under the plan and talk with their doctor or pharmacist about what other drug they could take instead. People may think they'll need to change to another plan to get the drug they need—and everyone can change at least once a year from November 15 through December 31—however, it's always best to use the plan's exception process first.

Maureen McKinley: We'll talk about exceptions and coverage determinations on our November 15 conference. Will plans cover both generic and brand name drugs?

Wendy St. Peter: [Slide #30] Certainly. Generic drugs that are less expensive and plans will probably encourage people to use them if their doctor approves. Plans may use the tiered formulary approach, and people could pay higher co-pays for drugs in the higher tiers. Generally speaking, the tiered formulary—Tier 1 would include generic drugs; Tier 2 would include preferred brand-name drugs; and Tier 3 includes more expensive non-preferred brand-name drugs.

Maureen McKinley: Wendy, where can patients get their drugs?

Wendy St. Peter: [Slide #31] Most plans will have preferred or network pharmacies, as well as non-preferred pharmacies. Patients will pay more at a non-preferred pharmacy. They should bring their ID card when visiting a pharmacy to avoid paying the full price for their prescriptions.

Maureen McKinley: Nancy, if someone doesn't have Internet access to look for pharmacies using the Drug Plan Finder or can't access plan websites, what other ways can patients find a network pharmacy close to them?

Nancy Oliker: [Slide #32] Plan providers will have directories of preferred and non-preferred pharmacies in their network. Patients can also call plans' customer service departments, or they can call 1-800-MEDICARE to find out preferred and non-preferred pharmacy networks. TTY users can call 1-877-486-2048.

Maureen McKinley: But what about people who live in remote areas? Finding one convenient pharmacy, let alone multiple pharmacies, may be hard. Also, some people with kidney disease are debilitated or don't drive. Tom, how will these individuals be able to get their prescriptions?

Tom Dudley: [Slide #33] Many plans also offer mail order pharmacy access. This helps those beneficiaries who are homebound, don't drive, or might have to drive miles to the nearest pharmacy to have access to the prescription drugs they need. The Drug Plan Finder tool on www.medicare.gov provides individuals with information about which plans offer mail order, as well as the cost for

their prescription through mail order pharmacies.

Maureen McKinley: Nancy, can the list of preferred or network pharmacies change?

Nancy Oliker: [Slide #34] Plans can add or remove pharmacies from the directories at any time. However, plans are much more likely to add pharmacies than to remove them. In many cases, the only reason a pharmacy will be removed is if it closes. So to get current information about which pharmacies are part of a provider's network, you can visit the plan's website or call its customer service department.

Maureen McKinley: Wendy, what is the limit on how many days' supply patients can get at a time?

Wendy St. Peter: [Slide #35] Typically, a patient will get a 30-day supply of drugs at the pharmacy. However, patients who use a mail order pharmacy may get up to a 90-day supply of drugs without having to pay three times the co-pay. Many Medicare drug plans have retail pharmacies that offer extended-day supplies of prescribed drugs at costs comparable to mail order. Therefore, it might be less expensive and more convenient to order a larger quantity of a maintenance drug that is unlikely to change. Plans should tell members all the ways they can order drugs.

Maureen McKinley: Okay. I think we've addressed coverage, cost, and convenience. Now, let's talk about some case examples that have been sent to us.

[Slide #36] Here's one that says he has a dialysis patient who's taking the following drugs and wants to know how to advise the patient. The Medicare patient is taking Nephrocaps®, Renagel®, Sensipar®, Cardiazem CD®, Prinivil®, Zocor®, Glucotrol®, aspirin, Darvocet®, Ativan®, Ambien®, Epogen®, Venofer®, and Zemplar®.

[Slide #37] Then we have someone else who called asking how to advise a patient who has a transplant with Medicare, and he's taking Prograf®, Cellcept®, Deltasone®, Diflucan®, Bactrim®, Protonix®, Valcyte®, Zantac®, Lantus®, Hemolog®, Prinivil®, and Zocor®. What would you advise?

Wendy St. Peter: [Slide #38] First, you should tell the patient which drug will not be covered by a standard Medicare drug plan. These include vitamins, aspirin—which is an over-the-counter drug, Ativan®—which is a Benzodiazepine, and Part B drugs. What they pay for, excluded drugs, and drugs covered by Part B, won't be counted toward the \$3,600 in true out-of-pocket costs.

In these examples, Part B drugs for the dialysis patient include Epogen®, Zemplar®, and Venofer®, and Part B drugs for the transplant patient include

Prograf®, Cellcept®, and Predisone. Several of these drugs are available as generics. A Medicare Part D plan may cover all of their other drugs, and they may pay less if the patient's doctor approves generics. If someone isn't eligible for immunosuppressants under Part B, Part D may cover them. However, when Medicare ends for that person, Part D ends, too.

[Slide #39] In both cases' examples, diabetes meters, test strips, lancets are covered by Part B. Medicare Part D can cover syringes, needles, gauze, alcohol swabs, and insulin delivery devices not otherwise covered by Part B, such as insulin pens and pen supplies.

[Slide #40] Whether the patient has chronic kidney disease, is on dialysis, or has a transplant, the advice should be the same.

First, help them search for their most expensive drugs first. These are usually drugs without generics.

Second, search to see which plans have the most expensive drugs on a lower tier. Expensive drugs are oftentimes placed on a higher tier, and people may have to pay more for them.

Third, try to avoid plans that require prior authorization or step therapy in order to get drugs the patient's doctor wants him or her to take. We'll discuss this in more detail next month.

Fourth, search for plans with less expensive drugs. Both patients are taking Lisinopril, which is an ACE inhibitor. In this case, it's Prinivil, the trade name. The doctor might switch the patient to one of these covered drugs.

Finally, patients should make sure the pharmacy network includes a pharmacy nearby. If available, mail order can be convenient for drugs patients take all the time.

Maureen McKinley: **[Slide #41]** Thanks, Wendy, for that advice. Remember, the Medicare prescription drug plan finder at www.medicare.gov, customer service representatives at 1-800-MEDICARE, and kidney-specific information at www.kidneydrugcoverage.org.

Now, I'd like to invite Beth Witten, a renal social worker and the National Kidney Foundation's Medicare Modernization Program Manager, to provide some concluding remarks.

Beth Witten: **[Slide #42]** Well, I'd really like to thank Tom Dudley, Patricia Fuller, Linda Keegan, Maureen McKinley, Nancy Olikier, and Wendy St. Peter for sharing their time and expertise with us today.

[Slide #43] As we've said before, although Medicare prescription drug coverage will help some people afford the drugs they need, others may not need this coverage. Most of what you read is for the average person with Medicare. The Kidney Medicare Drugs Awareness and Education Initiative and its participating organizations have kidney-specific information to help patients make informed decisions about whether to join a Medicare drug plan. Those who now have or choose kidney-friendly plans will fare better than those who don't.

One way social workers could really help their patients is to ask them to bring in notices they get from government agencies, employers, health plans, or Medicare drug plans. You can explain these notices, see if current coverage is creditable, help review options, and keep a copy of the notice in case your patients need them later.

We want to thank all our listeners for joining us and helping us inform patients who have Medicare about the new drug benefit. We hope this teleconference helped you understand more about the process of choosing a Medicare drug plan. We're planning more teleconferences over the next few months.

[Slide #44] Be patient. Our motto is *the right information at the right time*.

[Slide #45] Our next teleconference will be on Tuesday, November 15th, when we'll discuss the impact of tiers, utilization management tools, coverage determinations, exceptions, and medication therapy management services. You can participate live at noon, Eastern Time, or access our teleconferences later at www.kidneydrugcoverage.org.

Under the October 18th teleconference date, you'll find a link to today's PowerPoint. In a couple of weeks, you'll find a transcript and audio in the same place on the website. We'll be adding more to the website, so check back regularly or register on our site.

If you'd like an attendance certificate, again, go to the website, look under the teleconferences for today's teleconference date, and complete the online evaluation. Check with your licensing agency to find out if you can get continuing education credit using this certificate. Also, feel free to submit your questions about this topic and future teleconference topics by e-mailing us at info@kidneydrugcoverage.org.

Thank you for listening. We look forward to your evaluations and hope you will listen in next month. Goodbye, and have a great day.