Determining the Best ALF Prescription Drug Plans

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Any day now, the Centers for Medicare and Medicaid Services (CMS) will announce the prescription drug plans (PDPs) that have been approved to administer the Medicare prescription drug benefit. However, assisted living facilities should begin planning now to evaluate these plans and prepare to identify and recommend the best plans for their residents.

Each plan differs on premiuns charged and administrative processes (eg, prior authorization). They also have their own pharmacy network and benefit designs with regard to medications access as well as coverage for such services as medication therapy management services.

Prescription Drug Plan Evaluation

To evaluate plans, residents, family members, and other can utilize the CMS PDP tool finder through www.cms.gov. This tool is expected to be up and running by October 15. It first asks for some basic demographic information, including:

- Medicare claims HICN #
- Last name
- Date of birth
- Part A or B effective date
- Zip code

- Medications
- Preferred pharmacy

Using this information, the tool finder produces a comparative list of plans based on the total cost of listed medications and preferred pharmacy information (see Table 1).

Assisted living facilities that wish to consider what would be the best PDPs for their residents should look at several aspects of the plans. These include:

- *Administrative processes.* How simple is the prior authorization process? What kind of transitional period does the plan have to provide new enrollees access to non-formulary drugs for a period of time?
- *Formulary.* Does the formulary include medications that are most commonly used by your resident population? Are there many drugs on the formulary that are considered inappropriate for elderly patients?
- *Packaging.* The availability of special packaging, such as bubble packs, will be required for beneficiaries who are nursing facility residents. However, these are not required for ALF residents. However, some PDPs are providing coverage for special packaging as an incentive to enrollment. This is a useful consideration for ALFs.
- *Pharmacy networks.* Is the plan connected to the pharmacy or pharmacies your facility uses? If not, what pharmacies are in their network? How convenient are they? What services do they offer?

Table 1.
Plan-Find Worksheet

Plan	Best Plan	Worst Plan
Premium		
Common ALF Medications		
Medication Therapy Management Services		
Special Packaging		
Pharmacy Network		
Comments		

While facilities can't mandate that their residents enroll in any specific plan, they can—and should—offer some guidance and information.

While facilities can't mandate that their residents enroll in any specific plan, they can—and should—offer some guidance and information. This may involve partnering with a local aging/senior organization and arranging for individual counseling sessions. It also will be useful to organize lunches for residents and/or family programs with guest speakers talking about how to choose a PDP. If they haven't done so already, facilities should send out letters to residents and family members alerting them about what they should watch for in the mail and the timeline for the new prescription drug benefit and PDP enrollment.

An announcement about the CMS-approved prescription drug plans on October 1, 2005, marks the first public look at the plan designs. The agency also will begin a massive educational campaign at this time which will target beneficiaries through national and regional/local grassroots efforts. This will be accompanied by plans marketing their unique characteristics to Medicare beneficiaries, who can enroll in their chosen plan on November 15. Dual eligibles (those who get both Medicare and Medicaid) will be auto-enrolled in a plan; however, they can switch plans without penalty at any time. However, non-duals, whose enrollment in the prescription drug plan is voluntary, only can enroll without penalty until May 15, 2006.

While there is much work for ALFs to do as the plans roll out and the drug benefit nears its January 1, 2006, effective date, these facilities should know that they don't have to reinvent the wheel or function in isolation. Rather, they can utilize several excellent resources, including a number of useful Web sites such as:

- Medicare (1-800-MEDICARE) *www.medicare.gov* & *www.cms.gov*
- Social Security Administration *www.ssa.gov*
- State Health Insurance Counseling And Assistance Programs (SHIPs) *www.shiptalk.org*
- Kaiser Family Foundation *www.kff.org*

- Medicare Today
  www.medicaretoday.org
- Access to Benefits
  www.accesstobenefits.org
- American Society of Consultant Pharmacist
  www.ascp.com
- American Geriatrics Society
  www.americangeriatrics.org
- American Medical Directors Association
  www.amda.com

Action Plan for ALFs

With all the confusion circulating regarding Medicare prescription drug plans, it often is lost how significant the financial benefit is for Medicare beneficiaries may be. With the average Medicare beneficiary spending $1,457 per year, the White House, Congressional Budget Office, and other sources suggest that seniors—especially those with high monthly drug costs—will experience savings of 10-20% or even more.[1] However, these savings are less certain if a senior chooses a plan that does not meet his or her needs.

ALFs that take the lead on working with their residents to help them make the best PDP choice are likely to have happier seniors in their residences. When residents can afford their drugs, they also are likely to be healthier and more compliant with therapies.

There is no doubt that the new Medicare prescription drug benefit is confusing, that it requires time and effort to understand, and that it will require more time, effort, and extensive coordination to implement. However, by taking a proactive and positive approach to Part D, ALFs ultimately will benefit their residents. ALC

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