

SECTION - SUPPORTIVE SERVICES
ADMINISTRATIVE DIRECTIVE NO. 656

Effective Date: October 5, 2006

SUBJECT: MEDICARE PART D

I. PURPOSE

To ensure compliance with all federal laws, statues, regulations, policies, procedures, and internal guidelines to allow Coalinga State Hospital (CSH) to participate in the Medicare Part D Program.

II. AUTHORITY

By order of the Deputy Director of Long Term Care Services, consistent with the Medicare Prescription Drug Improvement Modernization Act of 2003, Titles XVIII, XIX and XXI of the Social Security Act, Special Order 257, Medicare Part D, and Welfare and Institutions Code 4306.

III. POLICY

To establish a standardized system that meets federal regulations and Department of Mental Health (DMH) requirements for Medicare Part D services provided at CSH.

IV. METHOD

A. Medicare Part D Beneficiary Categories:

1. The first category consists of those Medicare beneficiaries who qualify for the Low Income Subsidy program (LIS). There are two groups that qualify for this extra help:
 - a. Dual-eligible (not applicable at CSH) which are beneficiaries who are eligible for benefits from both the Medi-Cal and Medicare programs.
 - b. Individuals who do not qualify for Medi-Cal, but have incomes of less than 150 percent of the Federal Poverty Level and assets below a specified threshold. Co-payments, premiums, and deductibles are waived for LIS-eligibles in a state hospital.
2. The second category is non-subsidized persons.
 - a. Individuals shall pay from their trust accounts, the monthly premium, deductibles, and the co-insurance requirement of their Part D plan.

- b. If there are insufficient funds in the Individual's trust account, CSH shall pay these costs. These payments shall be added to the Individual's share of cost.
 - c. If a dual or LIS-eligible person declines to participate in Part D, his drug costs shall also become a share of cost.
- B. The Health Information Management Department in conjunction with the Trust Officer shall be the central point of contact for Part D, whose function shall be to insure that all areas within the hospital, such as the Pharmacy, are notified to the status of Medicare Individuals and their Prescription Drug Plans (PDP), coordinate correction of billing errors, coordinates PDPs exceptions and appeals, and assist unit Psychiatric Social Workers or Behavioral Specialists in managing Part D benefits.

V. RESPONSIBILITIES

A. Trust Office

1. Enrollment

- a. The Trust Officer shall be responsible for maintaining fiscal responsibility and accountability for the Medicare program and obtaining Medicare Part D coverage for prescription drugs.
- b. The Trust Officer shall have the responsibility to obtain Part D insurance in the absence of a competent Individual that declines to participate in Medicare Part D.
- c. The Trust Officer shall be responsible to ensure Individuals are enrolled only into PDP's that have contracted with the State.
- d. If CSH is unable to seek reimbursement from a PDP, the cost of the drugs provided to the Individual covered by that PDP becomes a share of cost.

2. Medicare Beneficiaries:

- a. Individuals may decline to participate in Medicare Part D if they are otherwise competent to make such financial decisions. However, if the Individual fails to enroll for Part D, the cost of their drugs shall become a share of cost, as where before, drugs were provided as part of the Medicare program, which is no longer the case.
- b. CSH shall remain responsible for providing the drugs, but the Medicare beneficiary is now responsible for paying for the drugs.

- c. Of the 18 PDPs and their 47 individual drug plans, CMS selected a list of 8 PDPs and 10 individual plans for use by LIS beneficiaries (see attachment A). All LIS Individuals must be enrolled in one of these 10 plans. Individuals who do not qualify for LIS may choose one of these 10 plans, or any of the other 37 plans, if a current contract exists with DMH.

3. Eligibility:

- a. The Trust Office shall verify upon admission if the Individual's transfer packet contains his Medicare card and PDP benefit card.
- b. The Trust Office shall verify if a Medicare Individual is LIS eligible, non-subsidized, or not eligible for the Part D program.
- c. The Trust Officer shall ensure the following procedures are applied if Individuals are not enrolled in a PDP:
 - d. Submit an application for the LIS to the Social Security Administration office and enroll the Individual into a low income PDP that is contracted with DMH if the individual is eligible for LIS.
 - e. When possible, seek permission to enroll Individuals into an appropriate PDP by having the Individual (if competent to handle his financial affairs) sign a permission form (CMS-1696 form can be used or a locally approved form).
 - f. If the permission is given, the Individual shall be enrolled in a low income PDP that has a contract with DMH.
 - g. If the Individual is eligible for Part D but refuses to participate in the program, this fact shall be noted in the medical record and in the Trust Office file. The cost of the drugs shall be tracked and added to the individual's share of cost and no further action shall be needed. This shall only apply to Individuals who are eligible to participate in Part D but refuse. If the Individual is not eligible, the tracking of the drugs and addition to the share of cost shall not be necessary.

4. Competency:

- a. If the Individual is not competent to manage his affairs, the Trust Office shall send a contact letter to the conservator or appointed representative as required, to request that the Individual be enrolled in an appropriate PDP or sign a permission form that shall allow the Trust Officer to enroll the Individual. A list of acceptable low income PDPs based on signed contracts with DMH shall be included with the contact letter.
- b. The Trust Office shall inform the conservator of their financial responsibility for the premiums, deductibles, and co-payments in

accordance with the plan they join. Alternately, CSH shall enroll the Individual in an appropriate PDP.

- c. If the hospital is representative payee for the Individual or the Individual's conservator or appointed representative fails to respond within a minimum of 30 days, action shall be taken to protect the Individual's rights and the Individual shall be enrolled in a low income PDP.
- d. The Trust Officer or others in the Trust Office can sign the required documents as the representative of the Hospital Administrator and therefore the state hospital. No other authority is needed per Special Order 257.

5. Annotations:

- a. Coalinga State Hospital (CSH) shall have the authority to waive co-payments, deductibles, and pay the premiums for Individuals whose trust accounts do not have sufficient funds (W&IC 7276). Payments for non-subsidized Individuals shall be considered cost of care and added to the Individual's share of cost.
- b. If the LIS Individual has been auto enrolled into a plan that does not have a contract with the state hospital, the Trust Officer shall advise the Individual to change the enrollment.
- c. Individuals admitted into the hospital have an automatic special enrollment period for 65 days under Part D, to change their PDP plan.
- d. If the Individual's PDP is not contracted with DMH, the Trust Officer shall collaborate with the Individual or conservator to change the Individual's PDP.
- e. The Trust Officer shall be disclosing confidential Individual information to the Medicare Part D, PDP as a result of enrolling Individuals into this program. However, the law allows disclosure of Individual information and records to the extent necessary for a claim to be made on behalf of an Individual for aid, insurance or medical assistance to which he may be entitled.

B. Medical Director

1. Prescribing Practices:

- a. Physicians shall prescribe the most appropriate medications for the treatment of the Individual regardless of the PDP formulary.
- b. The first consideration shall be given to the medications covered by the Individual's Part D Drug Plan that is also on the facility's formulary. Also

to be considered, are all drugs on the Part D Drug Plan for that Individual.

- c. Non-covered medications shall only be considered if there are no clinically appropriate substitutes that are covered on the Individual's plan.
- d. The fact that a drug may or may not be on a particular PDP's formulary should not be a deciding factor. Rather the medical appropriateness of the drug shall be the deciding factor.
- e. CSH shall be responsible to assure the drugs that are provided have clinical efficacy and that utilization review processes are carried out related to appropriate utilization of the drugs.
- f. The physician, or other clinical staff authorized to order medication, shall utilize the formulary of the PDP for the specific Individual to the extent medically appropriate.
- g. On admission, all Individuals assigned a PDP with current medication orders shall be evaluated against the formulary for their PDP. Where indicated, the physician may need to conduct a medication review and may possibly make changes to a covered medication or request approval for an excluded drug.
- h. CSH shall establish a central point of contact for Part D, whose function shall be to insure that areas within the hospital, such as Pharmacy, Health Information Management Department (HIMD), and the Trust Office are notified to the status of Medicare Individuals and their PDPs, coordinate correction of billing errors, coordinates PDPs exceptions and appeals, and assist unit Psychiatric Social Workers or Behavioral Specialists in managing Part D benefits.

C. Pharmacy

1. Prior Authorization/Exception Request:

- a. Prior authorization/exceptions shall be obtained when the drug is identified as requiring prior authorization or a prescribed drug is not on the formulary. The physician in consultation with the pharmacist shall make this determination.
- b. The physician ordering the medication shall complete the request for prior authorization or exception (Attachment B).

2. Individuals without a PDP:

The process for ordering medication shall remain the same for Individuals without a PDP.

3. Billing - Information and Appeals:

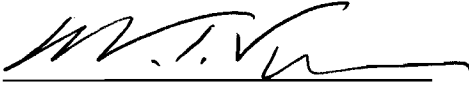
- a. If it is determined that a medication is needed for an Individual that is not on the Individual's PDP formulary, CSH shall submit a request for exception to the PDP (Attachment B, example form). Additional forms and Part D tools can be acquired at <http://www.cms.hhs.gov/center/provider.asp>.
- b. If it is determined a medication is needed for the Individual and that medication has been denied by the PDP, the appeal process will be utilized. The five levels of appeal are:
 - 1) Appeal through the plan ("redetermination"). This request must be filed within 60 calendar days from the date of the coverage determination.
 - 2) Review by an independent review entity ("reconsideration"). If the plan decision is again unfavorable, a request by an independent review entity (IRE) can be requested. This request must be filed within 60 days from the date of the decision.
 - 3) Hearing with an Administrative Law Judge (ALJ). If the IRE agrees with the decision of the plan, a hearing with an ALJ can be requested. This request must be filed within 60 days from the date of the notice of the IRE decision.
 - 4) Review by the Medicare Appeals Council (MAC). If the ALJ agrees with the plan's decision, a review by the MAC can be requested. A request must be made in writing to the MAC within 60 days from the date of the notice of the ALJ's decision.
 - 5) Review by a Federal Court. If the MAC agrees with the plan's decision, a review by a Federal Court can be requested. A request must be made in writing within 60 days from the date of the notice of the MAC's decision.
4. If there is a complaint about the drug plan that doesn't involve coverage or payment for the drug covered by the plan, a grievance can be filed. The grievance should be filed within 60 days of the event that led to the complaint. If the plan will not cover a drug or covers it at a higher price, a coverage determination can be filed.

D. Health Information Management Department

Billing for Part D drugs shall be through the Cost Recovery System (CRS), in the same manner as other third party billing.

E. Training Office

The Training Office shall coordinate Medicare Part D training. Training shall include Social Workers, Behavioral Specialists, and all other staff involved with Medicare Part D. CSH shall use either Department of Mental Health training aids or locally developed aids.



W. T. VOSS
Executive Director

Attachment A-Prescription Drug Plans for Low Income Subsidy Beneficiaries
Attachment B-Medicare Part D Coverage Determination Request Form

Prescription Drug Plans for Low Income Subsidy Beneficiaries

Note: List subject to change without notice

Prescription Drug Plans	Individual Plans	Pharmacy Benefit Manager
Anthem Insurance Companies, Inc.	Blue Cross Medicare Rx	Wellpoint
Health Net Life Ins Co/Health Net Ins of NY	Health Net Orange 1	Health Net
	Health Net Orange 2	Health Net
Humana Insurance Company	Humana Medicare PDP	Humana PDP Standard
Pacificare Life and Health Insurance Company	Pacific Saver	Prescription Solutions
Sierra Health and Life Insurance Company, Inc.	Sierra Rx	Health Plan of Nevada, Inc.
Unicare	Unicare / Medicare Rx Rewards	Wellpoint
United Health Care Insurance Company	United Health Rx	Walgreens Health Initiatives, Inc.
	AARP	Walgreens Health Initiatives, Inc.
Wellcare Health Plans	Wellcare Signature	Walgreens Health Initiatives, Inc.

Plan Name: _____
 Phone No.: _____
 Fax No.: _____

Medicare Part D Coverage Determination Request Form

This form cannot be used to request:

- Medicare non-covered drugs, including barbiturates, benzodiazepines, fertility drugs, drugs prescribed for weight loss, weight gain or hair growth, over-the-counter drugs, or prescription vitamins (except prenatal vitamins and fluoride preparations).
- **Biotech or other specialty drugs for which drug-specific forms are required. (See Part D plan website OR see links to plan websites at http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/04_Formulary.asp)**

Patient Information				Prescriber Information		
Patient Name:				Prescriber Name:		
Member ID#:				NPI# (if available):		
Address:				Address:		
City:		State:		City:		State:
Home Phone:		Zip:		Office Phone:	Office Fax:	Zip:
Sex (circle)	M	F	DOB:	Contact Person:		
Diagnosis and Medical Information						
Medication:			Strength and Route of Administration:		Frequency:	
<input type="checkbox"/> New Prescription OR Date Therapy Initiated:			Expected Length of Therapy:		Qty:	
Height/Weight:		Drug Allergies:		Diagnosis:		
Prescriber's Signature:					Date:	
Rationale for Exception Request or Prior Authorization FORM CANNOT BE PROCESSED WITHOUT REQUIRED EXPLANATION						
<input type="checkbox"/> Alternate drug(s) contraindicated or previously tried, but with adverse outcome (eg, toxicity, allergy, therapeutic failure) <ul style="list-style-type: none"> ➤ Specify below: (1) Drug(s) contraindicated or tried; (2) adverse outcome for each; (3) if therapeutic failure, length of therapy on each drug(s) 						
<input type="checkbox"/> Complex patient with one or more chronic conditions (including, for example, psychiatric condition, diabetes) is stable on current drug(s); high risk or significant adverse clinical outcome with medication change <ul style="list-style-type: none"> ➤ Specify below: Anticipated significant adverse clinical outcome 						
<input type="checkbox"/> Medical need for different dosage form and/or higher dosage <ul style="list-style-type: none"> ➤ Specify below: (1) Dosage form(s) and/or dosage(s) tried; (2) explain medical reason 						
<input type="checkbox"/> Request for formulary tier exception <ul style="list-style-type: none"> ➤ Specify below: (1) Formulary or preferred drugs contraindicated or tried and failed, or tried and not as effective as requested drug; (2) if therapeutic failure, length of therapy on each drug and adverse outcome; (3) if not as effective, length of therapy on each drug and outcome 						
<input type="checkbox"/> Other: _____ Explain Below						
REQUIRED EXPLANATION: _____						
Request for Expedited Review						
<input type="checkbox"/> REQUEST FOR EXPEDITED REVIEW (24 HOURS) <ul style="list-style-type: none"> ➤ BY CHECKING THIS BOX AND SIGNING ABOVE, I CERTIFY THAT APPLYING THE 72 HOUR STANDARD REVIEW TIME FRAME MAY SERIOUSLY JEOPARDIZER THE LIFE OR HEALTH OF THE MEMBER OR THE MEMBER'S ABILITY TO REGAIN MAXIMUM FUNCTION 						

Information on this form is protected health information and subject to all privacy and security regulations under HIPAA.