

RxCONNECTOR

A publication of the North Dakota Insurance Department

SURVEY FINDS FEW SENIORS EXPECT TO SWITCH MEDICARE DRUG PLANS FOR 2007

Overall Satisfaction Remains High But Large Majority View Benefit As Too Complicated

As we approach the Dec. 31 close of the Medicare drug benefit open enrollment period, a [new survey](#) suggests that few seniors intend to switch plans for 2007. Key findings include:

- One in 20 seniors (5%) who are enrolled in a Medicare drug plan say they expect to switch plans for 2007, compared with 66% who do not expect to switch and 29% who are uncertain.
- Overall, three in four seniors (76%) enrolled

in a plan say that their experiences have been positive, including 46% who say they have been “very positive.”

- Slightly more than half of seniors who have used their new drug plan say that they are saving money (52%), compared with 14% who say they are paying more for their prescriptions.
- Nearly one in four seniors (23%) who have used their plans say that they encountered a problem with the new benefit, with 12% saying it was a major problem.

Continued on next page.

Welcome to the RxConnector newsletter!



Jim Poolman
Insurance Commissioner

Dear Friends,

I have big news for you this month. Regrettably, I must tell you all that Bill Lardy, Director of the SHIC program, will be retiring this month. Bill has worked tirelessly for the SHIC program since 2001 and will be greatly missed by all of us here at the Insurance Department and I'm sure by many of you—his colleagues, sponsoring organizations, and volunteers.

Bill started at the department back in 1991 in agent pre-licensing and continuing education and then completely switched gears by taking on the SHIC program. Bill's energy, enthusiasm, and hard work have made the SHIC program the success it is today.

Please join me in wishing Bill the best! Please feel free to send Bill a card or to contact him by telephone. His office telephone number is (701) 328-9604. His office address is ND Insurance Dept., 600 E Blvd Avenue, Dept. 401, Bismarck, ND 58505. His office email is blardy@nd.gov. You can reach him at home at (701) 258-8566, 3108 Homestead Drive, Bismarck, ND 58503. His home email address is bnldardy@bis.midco.net.

As always, thank you so much for all that you do for the SHIC program! Without your help, our work would be that much harder. Your efforts are valued and appreciated!

If you have items of interest that you think should be included in this newsletter, we would love to hear about them! Please contact Sharon St. Aubin by email at sstaubin@nd.gov or call her toll free at 888.575.6611.

Jim Poolman
Insurance Commissioner

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SURVEY CONTINUED...

- Almost three in four seniors (73%) say that the Medicare drug benefit is “too complicated.” About four in 10 seniors (39%) say that there are too many plans available to people with Medicare, compared with 15% who say there are too few and 32% who say the number of plans is the right number.
- When asked whether they thought Medicare should offer seniors dozens of plans so people can select their own plan to meet their needs or whether Medicare should select a handful of plans that meet certain standards so seniors have an easier time choosing, seniors are twice as likely to say they prefer the more limited number of plans (60% vs. 31%).
- Among all seniors, 42% view the drug benefit favorably, compared to 34% who view it unfavorably. That represents the highest level of favorability recorded in a series of 13 surveys of seniors conducted since the Medicare drug law was enacted in 2003.

The survey, which assessed

seniors’ views of and experiences with the Medicare drug benefit, was conducted November 9-19 by the Kaiser Family Foundation and the Harvard School of Public Health.

It included a nationally representative sample of 718 seniors, including 275 who reported being enrolled in a Medicare drug plan. The margin of sampling error is plus or minus 4 percentage points for all seniors, and plus or minus 7 percentage points for seniors enrolled in the Medicare drug benefit.

The questions about experiences under the Medicare drug benefit were part of a larger survey on the public’s health agenda for Congress and the presidential campaign. Full survey results are available [online](#).

The Kaiser Family Foundation also released a [new report](#), based on interviews with 35 Medicare beneficiaries, that describes their understanding of and experiences with the Medicare drug benefit.

The report finds that drug plan enrollees say they are generally satisfied with their drug coverage, though some have encountered problems such as difficulty getting their medications or paying higher-than-expected out-of-pocket costs. Many do not understand the details of their drug plan, including whether their plan has a coverage gap, commonly known as the “doughnut hole.” Most enrollees say they do not intend to reassess their drug plan options and will remain in their current plan for 2007.

The report is the third from a year-long series of one-on-one structured interviews with a diverse group of Medicare beneficiaries in four cities: Baltimore, Miami, Sacramento, California; and Lincoln, Nebraska.

The Kaiser Family Foundation commissioned Lake Research Partners and American Viewpoint to conduct these interviews. The report, *Voices of Beneficiaries: Medicare Part D Insights and Observations One Year Later*, is available [online](#).

UNABLE TO PURCHASE HEALTH INSURANCE AND INELIGIBLE FOR PUBLIC ASSISTANCE

["The Uninsured and the Affordability of Health Insurance Coverage,"](#) *Health Affairs*: The *Health Affairs* Web exclusive by Lisa Dubay, a research scientist at the [Johns Hopkins Bloomberg School of Public Health](#), and researchers at the [Urban Institute](#) found that more than half of Americans without health insurance cannot afford to purchase it and are ineligible for public assistance programs.

According to the study:

- 56% of uninsured U.S. residents are ineligible for public health programs and cannot afford coverage;
- 25% of residents are eligible but not enrolled in public health programs;
- 20% can afford insurance but have not purchased it; and
- 74% of children are eligible for public assistance.

(Dubay et al., *Health Affairs*, 11/30).

CLOPIDOGREL IS GENERIC VERSION OF PLAVIX

Clopidogrel, the generic version of Plavix was originally released during the summer of 2006; however, the generic was removed from the market a short time later because of a patent dispute.

Many pharmacies received supplies of Clopidogrel before the patent dispute came up and thus had a supply of the drug that was being dispensed to some individuals over the past

couple of months even though the generic isn't really available in the marketplace.

The Reference NDC list (master list of drugs) does not currently have Clopidogrel listed as an available drug and this list is used to derive the drug look-up list on the drug plan finder. Once the generic is available on the list, it will be added to the drug look-up list on the drug plan finder.

In the meantime, plans can cover Clopidogrel; however, they must continue to cover the brand drug, Plavix under their plan's formulary and at the same tier level. They are not permitted to discontinue the coverage of Plavix, they cannot change the tier level, and they cannot change the utilization management for the drugs (e.g. they cannot add prior auth, step therapy, or quantity limit requirements for the drug).

GENERIC DRUGS REDUCE COSTS

The adage "you get what you pay for" may be true for some consumer products but not when it comes to generic drugs.

While some generic products cost less because they are lower quality, "a generic drug is a copy that is the same as a brand name drug in dosage, safety, strength, how it is taken, quality, performance and intended use," according to the U.S. Food and Drug Administration's (FDA) Center for Drug Evaluation and Research.

The next time you are at the pharmacy for a

refill, ask if you are receiving a generic drug. By law, pharmacists are allowed to give you a generic equivalent even if a brand name drug is written on the prescription.

"In terms of active ingredients, generics and brands are identical," Solseng says. "The most obvious difference might be a side-by-side comparison of "pharmaceutical elegance," the industry's terms for appearance, taste or feel of a medication."

*(Source: Healthy Choices – Fourth Quarter 2006
Publication of Blue Cross Blue Shield of North Dakota)*

HEALTH POLICY VIDEO LIBRARY

KaiserEDU.org introduces a new resource - the [Health Policy Video Library](#), a unique collection of links to documentaries, news segments, and other videos on a wide range of health policy issues produced by organizations such as PBS, Discovery Channel, and the Kaiser Family Foundation as well as independent filmmakers.

Whether you're teaching a course, giving a presentation, or organizing an event, check

the library for relevant videos.

The [Health Policy Video Library](#) currently contains more than 200 videos and will be continuously updated. Search for videos in the database by topic or keywords. Results can be sorted by video length or production year, and information on how to obtain the video is provided by clicking on the video title.

To submit videos for inclusion in kaiserEDU.org's Health Policy Video Library, email kaiserEDU@kff.org.

3-M PHARMACEUTICALS

Effective 12/29/06, 3M Pharmaceuticals will no longer be offering a patient assistance program. 3M Pharmaceuticals is in the process of being sold to Graceway Pharmaceuticals. 3M's patient assistance program had included:

- Aldara
- Maxair Autohaler
- MetroGel-Vaginal
- Minitran
- Tambocor

CELEBREX FOR TREATMENT OF RHEUMATOID ARTHRITIS IN CHILDREN

FDA Advisory Committee Recommends Approval of Celebrex for Use in Children

An [FDA](#) advisory panel on Wednesday voted 15-1 to recommend approval of [Pfizer's](#) pain medication Celebrex for the treatment of rheumatoid arthritis in children, even though some panel members questioned the long-term safety of the drug, the Wall Street Journal reports.

On Tuesday, FDA said Pfizer

might have to conduct additional studies of Celebrex before it could be approved for use in children.

The drug, which is approved to treat arthritis in adults, is the only member of a class of medications called COX-2 inhibitors, which include Vioxx and Bextra, not to have been withdrawn from the market over concerns of increased risk for heart attacks and stroke.

Pfizer this year requested FDA

approval for Celebrex as a treatment for rheumatoid arthritis in children ages two and older. According to FDA, about 30,000 to 60,000 children in the U.S. have rheumatoid arthritis.

Drugs approved to treat the condition include aspirin, ibuprofen and naproxen. The heart attack risk for children who take the drug is unknown (Kowsmann, Wall Street Journal, 11/29). (Source: Kaiser Network.org)

JANUARY PREPARATION: THE BEST MEDICINE FOR BENEFICIARIES

January is the busiest month in the pharmacy due to changes that millions of Americans make to their insurance coverage that take effect in January. For this reason, we have been encouraging Medicare beneficiaries to help pharmacists by taking three easy steps:

1. If you have a prescription or refill that can be filled at or near the end of the year, don't wait... get it filled before January 1. Taking care of refills in December will reduce the burden on pharmacists and may reduce the time a beneficiary has to wait to get the prescription filled in January.

2. If you have a prescription to be filled in early January and you have changed plans or have not used your new plan coverage, make sure you bring your new insurance card (and proof of Medicaid or LIS eligibility if applicable) to the pharmacy with your prescription. Providing correct and complete information to the pharmacist will make it easier for the pharmacist to serve beneficiaries which will reduce prescription fill times and delays at the pharmacy. Beneficiaries should be sure to have their Plan ID card, Medicare and/or Medicaid card, and a Photo ID. People who been approved for the low-income subsidy (LIS) should also bring a copy of the yellow automatic

enrollment letter from Medicare, an approval letter from the Social Security Administration, or other proof that they qualify for extra help.

3. If you have not received your new insurance card from your new plan, make sure that you bring a confirmation letter or some other proof of coverage from your new plan with you to the pharmacy in January. Because people may enroll in Part D through the end of December, some late enrollees may not receive their plan ID card by the first day of the New Year (see Tip Sheet). In this case, beneficiaries should bring an acknowledgement or confirmation letter from the plan, or an enrollment confirmation number received from the Plan. If the person has not received any enrollment materials, the pharmacist may be able to submit an E1 query, or call the dedicated pharmacy enrollment/eligibility helpline at (1-866-835-7595) or 1-800-MEDICARE to identify the plan in which the person is enrolled. As a last resort, the beneficiary may have to pay out-of-pocket for the prescription and send receipts to the plan.

Thanks to Deb Masad for sending us these tips! You may want to post these in your waiting rooms or lobbies for your clients.

CMS POSTS UPDATED INFORMATION ON PATIENT ASSISTANCE PROGRAMS

The Centers for Medicare & Medicaid Services (CMS) has posted updated information on CMS policy with respect to patient assistance programs (PAPs), as well as helpful links to other information contained on the Office of the Inspector General's Web site. Pharmaceutical manufacturers may sponsor patient assistance programs (PAPs) that provide financial assistance or free supplies of prescription drugs (through in-kind product donations) to low-income individuals to augment any existing prescription drug coverage.

PAPs can provide assistance to Part D enrollees and interface with Part D plans by operating "outside the Part D benefit" to ensure that Part D bene-

fits and PAP assistance are provided separately. PAP assistance does not count towards a Part D beneficiary's true out-of-pockets cost (TrOOP), which determines whether an individual has reached the threshold for catastrophic coverage under the Part D benefit.

The information posted on the CMS' Web site includes CMS's Coordination of Benefits guidance, PAP Data Sharing Agreement documents, an Outside the Benefit Q&A, and the PAP Attestation document. These documents can be found at the following Web site: http://www.cms.hhs.gov/PrescriptionDrugCov-GenIn/07_PAPData.asp#TopOfPage. CMS plans to update

these resources on a regular basis.

Many of the major drug manufacturers offer assistance programs for people enrolled in Medicare Part D who have difficulty covering the cost of their medications. These programs vary by what they offer and what the eligibility criteria is for the program.

You can find out whether a Patient Assistance Program is offered by the manufacturers of specific drugs by visiting our Pharmaceutical Assistance Program site at <http://www.medicare.gov/pap/index.asp>. Contact information and program details are included and the Web site is updated once a month.

MEDICAID RULE WOULD HIT PHARMACISTS HARD

WASHINGTON - Pharmacists would take the biggest hit from a proposed rule designed to save states and the federal government about \$8.4 billion over the coming five years, officials who oversee Medicaid said Sunday.

Earlier this year, Congress mandated changes in how the federal government limits its payments to states for the cost of prescription drugs when generics are available. Lawmakers were concerned that Medicaid wasn't getting as good a deal on the price of drugs as some of the large payers in the private market did.

Under Medicaid, which serves about 55 million people, states reimburse pharmacies for the cost of medicine provided to beneficiaries. The proposed rule established a new calculation that limits the federal government's share of the cost of the medicine when three or more generics are available. States will retain the authority to set their own reimbursement levels and

dispensing fees to pharmacists.

In a fact sheet, Health and Human Services Secretary Mike Leavitt said the proposed rule will affect about 600 drugs that account for about 8.3 percent of outpatient drug costs under Medicaid. Spending on outpatients' drugs has been one of the program's fastest growing expenses.

He also said the rule will increase transparency about the true cost of drugs. The federal government will set a definition for the average manufactured price of a particular drug, and will publish prices on a quarterly basis.

The goal is to capture the most accurate pricing data possible to assure that the federal government and states are paying appropriately for generics.

Leslie Norwalk, acting administrator for the

MEDICARE BENEFICIARIES MAY BE ELIGIBLE FOR ADDITIONAL ENROLLMENT DAYS

WASHINGTON, Dec 28 (Reuters) - Elderly Americans who failed to receive timely information about their current prescription drug plans from UnitedHealth Group (UNH.N: Quote, Profile, Research) and other suppliers will get an extra 45 days to choose coverage for 2007, the U.S. government said on Thursday.

Herb Kuhn, acting deputy administrator of the Centers for Medicare and Medicaid Services, said the enrollment deadline would be extended until Feb. 15 for an estimated 250,000 people covered by Medicare Part D drug plans.

The Part D program, which allows health insurers to offer drug coverage under Medicare oversight, was launched in

2006 but allows participants to enroll or change plans once a year.

Advocates say the plans help make prescription drugs more affordable for the elderly, but critics have charged the program was designed to help companies to maximize profits.

UnitedHealth is the biggest provider of Medicare drug plans with 5.75 million people enrolled as of Sept. 30. The company previously said it expected to add as many as 750,000 people during the open enrollment period scheduled to end Jan. 1.

NOTE: However, because UnitedHealth and some other providers failed to mail timely information to current enrollees

so they could compare the cost and coverage of plans for 2007, those enrollees will get 45 more days to make a decision, Kuhn told reporters.

"We're still looking to make sure we have the right list of the others and hope to get that information out next week," Kuhn said, referring to other companies that also did not send current enrollees timely information.

The government drug program has received more than 5 million telephone calls about Part D drug plans since Nov. 15, he added.

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INCREASES IN MEDICARE ADVANTAGE PLAN PREMIUMS

The [Philadelphia Inquirer](#) last week examined how some insurers that sponsor Medicare Advantage plans have increased premiums or reduced benefits for the 2007 plan year. According to the Inquirer, insurers nationwide "are struggling with an increasingly difficult funding model for Medicare managed care plans." MA plans, which account for about 13% of Medicare enrollment, cover hospital care, doctor visits, prescription drugs, and some extra services such as vision and dental care. The government pays insurers a set amount for each beneficiary enrolled in MA plans, and beneficiaries pay a monthly premium. Some insurers have increased premiums for the 2007 plan more drastically than in the past, the Inquirer reports. For example, Independence Blue Cross, which sponsors MA plans in Pennsylvania, increased premiums between 54% and 93% for 2007. Dan Lyons, senior vice president for government programs at Independence Blue Cross, said the increase is necessary because government contributions to MA plans have not kept pace with rising medical costs (Von Bergen, Philadelphia Inquirer, 12/29/06).

SHIC DIRECTOR SELECTED

Cindy Sheldon has been selected as the Health Insurance Counseling Director for North Dakota. If you have any questions related to SHIC, please call Cindy toll free at 1-888-575-6611 or you can call her directly at 701-328-9604.

Centers for Medicare and Medicaid Services, said pharmacists are concerned that the new rule would lead to lower reimbursements when they provide generics. She said the agency will listen to their suggestions in the coming months and will likely issue a final rule in the summer.

"We want to make sure pharmacists still have a reason to provide generics," Norwalk said.

The proposed changes would lower Medicaid spending by less than 1 percent. Overall, the federal government and the states will spend about \$280 billion on Medicaid during the current fiscal year. The cost of Medicaid, which provides health care to the poor, will rise to nearly \$5 trillion dollars in the coming decade, Health and Human Services officials estimate.

Source: Associated Press/AP Online
Publication date: 2006-12-18



To Friends, Co-workers and Colleagues,

Thank you for the assistance, support, cooperation and help you gave to Senior Health Insurance Counseling these past two years as all of us worked with Medicare Part D. I am so blessed to have had the chance to work with you and am grateful for having had the opportunity to make your acquaintance. Friday, December 22, will be my last day in the office as I retire at the end of the year. I count my time as director of SHIC as the most fulfilling and rewarding years of my working life. Thank you for helping to make it so.

Please continue to work hard for the people you serve. Helping people choose prescription drug plans has reinforced for me how much the work you do for them is appreciated by them. Best Wishes for your efforts in the years ahead.

A handwritten signature in black ink that reads "Bill Lardy". The signature is written in a cursive, flowing style.

*Bill Lardy, Director
Senior Health Insurance Counseling
North Dakota Insurance Department*