

TESTIMONY BEFORE THE BUDGET COMMITTEE ON HUMAN SERVICES

DECEMBER 14, 2005

Chairman Dever, members of the committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding the Department's efforts on Implementation of the Medicare Part D Prescription Drug benefit.

In less than three weeks, around 10,500 North Dakota Medicare/Medicaid recipients (the dual-eligibles) will be transitioned from Medicaid drug coverage to Medicare Part D drug coverage. It is this dual-eligible population that has been the focus of the Department's implementation efforts.

2005 House Bill 1465 authorized the Department to hire a contractor for the purpose of preparing a Medicare Part D Implementation Plan. The Department assembled a Part D Implementation Team and hired Muse and Associates. The team, along with Muse and associates, has met throughout the past eight months. The DHS Team continues to meet on a weekly basis to help ensure the dual eligibles will have a smooth transition.

In order to assist the Legislature, the Governor's office, the staff of the Insurance Commissioners office and the staff of the Department of Human Services, the Implementation Team created a telephone tree. (see attachment) For example, if you receive a question about an enrollment issue, the most appropriate place to forward that call would be to the Senior Health Insurance Counselors or the Older Americans Act Enrollment Specialists.

Last week, at the National Council of State Legislatures, Senator Judy Lee presented on the State of North Dakota efforts for education and outreach related

to Medicare Part D. The slides from the presentation are attached to this testimony. (see attachment)

In spite of all of our efforts, we need to be prepared to handle the confusion, frustration, and discouragement that will occur after January 1, 2006. The dual eligibles have experienced very good drug coverage through Medicaid. It is not likely that they will find a Prescription Drug Plan (PDP) with a formulary to match Medicaid. There has been considerable confusion surrounding auto-enrollment, changing PDPs, creditable coverage, retirement plan coverage, and transition issues. We will continue to work with our state and federal partners to assist the dual eligibles; however, it is important that you are aware that there will be issues, both with the dual-eligibles and with the regular Medicare population.

Fortunately, the Department has the authority granted in House Bill 1465 to provide prescription drugs in an emergency, to dual-eligibles during the first 45 days of the calendar year. Since any prescriptions covered under this authority will have to be 100% general funds, the Department has made the necessary changes to our Point of Sale system and to our financial reports, and we have established the criteria under which an exception will be granted. Because of the safe guards offered by the Federal Government, we do not anticipate a significant use of this authority. We do; however, see the highest number of requests resulting from a recipient's pharmacy not being enrolled with the PDP to which they have been enrolled.

Don Muse from Muse and Associates is also here today and will be discussing implementation issues and reviewing the final clawback calculations, issued by the Federal Government. After his remarks, we would be available to answer any questions that you may have.