

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



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July 29, 2009

Dear State Official:

Once again, the Centers for Medicare & Medicaid Services (CMS) is requesting an annual update to your State Pharmaceutical Assistance Programs (SPAPs) benefit, enrollment and coordination information. The information you provide allows CMS to understand your programs so that we may work collaboratively to bring our beneficiaries the most comprehensive benefits available to them under both the Medicare Prescription Drug Benefit and State programs.

Attached is the standardized template and instructions for submitting this information for your calendar year (CY) 2010 coverage. The template has not changed; however, we would appreciate any additional information you can share on your state's program, (i.e., reductions in benefits or additional eligibility restrictions). Also, we continue to support states' use of coordinating criteria which serves the purpose of easing the transition of SPAP members into the Part D benefit and establishing reasonable administrative requirements. CMS will continue to review an SPAP's proposed criteria to ensure that they serve these purposes, and do not violate the statutory prohibition on discrimination. As a reminder, the coordinating criteria may not be unduly burdensome so as to deter a significant number of Part D plans from coordinating with the SPAP; rather, all Part D plans must have a real opportunity to coordinate with an SPAP on an equal basis. Moreover, the SPAP must permit an SPAP member to enroll in a Part D plan that does not meet the SPAP's coordinating criteria, without negatively impacting the beneficiary's SPAP benefits.

As CMS embarks upon the 5<sup>th</sup> year of operating the Medicare Prescription Drug Benefit program, we are pleased that the number of issues being reported by SPAPs with regard to Part D sponsor cooperation has declined. However, while we have improved CMS systems to increase the effectiveness of coordination of benefits at the point-of-sale, we recognize that there are still problems with coordination between Part D sponsors and SPAPs, especially when a prescription drug claim is adjusted post point-of-sale. CMS and several states are participating with the industry in National Council of Prescription Drug Programs (NCPDP) workgroups that are currently exploring how to handle retroactive claims adjustments and the resulting reimbursements or recoveries when multiple payers are involved. Workgroup participants need not be NCPDP members; therefore, we encourage you to participate in these workgroup discussions and formulate solutions that address SPAP concerns.

We would also like to bring to your attention a change in SPAP policy that CMS announced in the 2010 Call Letter. For CY 2010 and thereafter, CMS strongly discourages SPAPs, when authorized to enroll its members in Part D plans on behalf of such members, from performing substantial volumes of disenrollments and re-enrollments mid-year. Disenrollments and re-enrollments of a large number of beneficiaries into a new plan mid-year often disrupt the continuity of care that the beneficiary is accustomed to receiving under his/her current Part D plan, and impacts the financial operations of the Part D sponsor. Members of qualified SPAPs (or the State, acting as the authorized representative of its members) will continue to have Special Enrollment Periods (SEPs) upon request, as provided in the current CMS guidance, for case-by-case enrollment actions (See Section 20.3.8, #9 of the PDP Guidance on Eligibility, Enrollment and Disenrollment).

SPAPs should submit the CY 2010 template and accompanying information by August 14, 2009. Timely submissions will expedite CMS' approval of its coordination criteria prior to the start of the new calendar year. CMS will review the State's template within 30 days. If you need your template approved prior to release of a request for proposal (RFP) for the 2010 Part D benefit year, please note "EXPEDITE" in the subject line of the email when submitting your template and we will prioritize accordingly. CMS' review of the State's template will be based upon the guidance we have provided in regulation at 42 CFR 423.464, Chapter 14 of the Medicare Prescription Drug Manual, and the SPAP Qualified Guidelines.

States should submit their scanned and signed template, as well as any concerns to the following email box: [SPAP\\_Plans@cms.hhs.gov](mailto:SPAP_Plans@cms.hhs.gov). If you have questions regarding the instructions, please contact Christine Hinds at (410)786-4578 or Courtney Turner at (410)786-5493.

Sincerely,

Jonathan Blum  
Acting Director  
Center for Drug and Health Plan Choice

Attachment

# SPAP Plan to Wrap-Around Part D

State \_\_\_\_\_

Program Name \_\_\_\_\_

## I. Eligibility

*Who is eligible for your state's SPAP benefits? Please provide applicable poverty and asset thresholds. If eligibility is linked to a specific disease or condition, LIS application status, and/or Part D enrollment status, please note that as well:*

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## II. Financial Assistance

*a) Is the SPAP adopting one of the lump sum approaches outlined in Chapter 14 of the Medicare Prescription Drug Benefit Manual? Please check at least one box.*

- 1.  Yes.
- 2.  No, a lump sum approach is not being adopted.

*b) If Yes to a., please check which approach you intend to use:*

- 1.  Risk-based
- 2.  Non-risk based

*c) If Yes to a., attach the RFP and indicate proposed publication date for RFP.*

*d) If you are not adopting a lump-sum approach, please check at least one box below, and describe the type of financial assistance to be provided with respect to wrapping around the Part D benefit:*

- 1.  Premium Assistance Only. (Provide description. For example – Providing premium assistance limited to \$30 per beneficiary, per month).

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2.  Cost-sharing assistance at point-of-sale (Provide description of type of cost sharing assistance and the limit on such cost sharing assistance. For example – SPAP pays for cost sharing of covered Part D drugs up to \$5 copay per prescription).

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3.  Both premium assistance and cost sharing. Provide Description.

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### III. Enrollment

a) Does your program intend to make Part D enrollment elections on behalf of your members as their authorized representative under state law? Please check at least one box below.

1.  No.
2.  Yes. **If yes, please respond to questions b & c below.**

b) What is the state's enrollment/assignment process? Please check at least one box below.

1.  Random assignment. You intend to enroll your members (spouses or members of the same household) randomly among:
- \_\_\_ All plans in state's region.
- \_\_\_ Plans at or below your region's low-income benchmark premium amount.
2.  Non-random assignment. You intend to enroll your members, using a member's unique characteristics such as prescription drug utilization. **Please attach a detailed description of the algorithm the state will use, including all of the steps you will use to arrive at the plan assignment.**

c) Do you intend to limit enrollment in particular plans based on established coordination criteria?  
Please check at least one box below.

1.  No.

2.  Yes. **Please attach a detailed description of the coordinating criteria that the State will use, including the date that the RFP will be published.**

d) Please provide the approximate dates of when the SPAP will enroll its members into coordinating plans:

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NOTE: As required by our revised policy, SPAP benefits (premiums and cost sharing financial assistance) must apply if a beneficiary chooses to opt out into another plan outside of those that have agreed to coordinate benefits with the state, unless the state is limiting wrap-around benefits to beneficiaries joining certain plans in accordance with the risk-based lump sum approach noted in section II.

#### IV. Assurance

a)  I certify that at least annually, the State will submit a revised template by August 1. If the information contained in this template changes during the year, the State will submit a revised template for CMS approval.

b)  The above information is correct and in accordance with 42 CFR 423.464, Chapter 14 of the Medicare Prescription Drug Manual as it applies to SPAPs, and enrollment guidance provided in the Qualified SPAP Guidelines.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Agency: \_\_\_\_\_

Date Submitted: \_\_\_\_\_ Date approved by CMS: \_\_\_\_\_

Signature of CMS Approving Official \_\_\_\_\_

Typed Name of CMS Approving Official \_\_\_\_\_

Please submit your signed and scanned template to the following email box: [SPAP\\_Plans@cms.hhs.gov](mailto:SPAP_Plans@cms.hhs.gov).