

## **State Pharmaceutical Assistance Programs Transitional Grant Funds**

The Medicare Modernization Act (MMA) provides \$62.5 million in funding for grants to State Pharmacy Assistance Programs (SPAPs) with approved applications for each of Federal fiscal years 2005 (October 1, 2004-September 30, 2005) and 2006 (October 1, 2005-September 30, 2006). The grants are based on the number of Medicare participants enrolled in each program as of October 1, 2003. The grants are to be used to:

- Educate SPAP participants eligible for the Medicare Part D benefit about the prescription coverage available under Prescription Drug Plans (PDP) or Medicare Advantage plans that offer a prescription drug benefit (MA-PD);
- Provide technical assistance, phone support, and counseling in order to help SPAP participants eligible for the Medicare Part D benefit select and enroll in Part D plans; and
- Support other activities that promote effective coordination of enrollment, coverage, and payment between the SPAPs and Part D plans.

### **Guidance for Use of Grant Funds:**

These categories are a general guide for the use of the transitional grant funds. The following are examples of ways in which a SPAP may use the transitional grant funds.

#### **EDUCATIONAL OPPORTUNITIES FOR SPAPs TO IMPLEMENT NOW USING TRANSITIONAL GRANTS:**

- Determine staffing needs to provide outreach and education to Part D beneficiaries. Hire staff specifically to handle the education of SPAP beneficiaries regarding their choice of Part D plans.
- Provide training and education to current SPAP staff on:
  1. Part D benefits and Part D plan application and bid process (general)
  2. Part D implementation timeline
  3. Information available on the CMS Website
  4. Low-income subsidy process
  5. Enrollment process
- Provide education to beneficiaries via mailings, internet, handbooks:
  1. General Part D benefits
  2. Low-income subsidy process
  3. Enrollment process
  4. Information available on the CMS website

- Attend meetings, seminars, conferences and training available to SPAP staff sponsored by CMS, SSA, or other agencies/organizations regarding the Part D benefit.
- Begin public service announcements regarding changes coming to the drug benefit.
- Establish a test population for future marketing and education. Use them to test “draft” marketing materials the SPAP may use.
- Begin RFP/contracting process for entities interested in providing education.

During the first year of the grant funding, it may be difficult to decide how to utilize the grant funds as many of the details of the Part D benefit will become available later in the fiscal year. We suggest that SPAPs take this opportunity to prepare for the changes that will take place in 2006.

EDUCATIONAL ACTIVITIES SPAPs CAN DO BEGINNING SEPTEMBER (Early Fall 2005):

- Provide training to staff on:
  1. Part D plans and benefit packages available to SPAP beneficiaries
  2. Application process for Part D, SPAP and low-income subsidy.
- Provide education to SPAP beneficiaries regarding:
  1. Part D plans available to SPAP beneficiaries in their region.
  2. Application process for Part D, SPAP, and low-income subsidy.
  3. SPAP pharmacy network vs. the Part D network.
- Continue public service announcements, public relations campaigns and the development of printed materials to inform and educate SPAP program participants about the upcoming Part D benefit and the role the SPAP plans to play in providing wraparound coverage.
- Purchase equipment such as computers. (Please note that if equipment is not used exclusively for activities related to SPAP and Part D transitioning, then the purchase must be prorated appropriately.)
- Develop or enhance a helpline (such as a toll-free number) to answer inquiries from enrollees. Develop materials specific to transition of SPAP enrollees to Part D that will be utilized by the helpline operators.
- Modify and enhance computer information systems to facilitate enrollment and claims payment. Begin meeting with CMS COB staff to determine coordination needs with the COB systems.

- Begin establishing contact with the approved Part D plans in your region to establish educational materials specific to the SPAP population. Meet with the Part D plans to determine if/how they will co-brand with the SPAP.

#### EDUCATIONAL ACTIVITIES (Fall/Winter 2005/2006):

- Hold Part D application assistance outreach meetings for SPAP beneficiaries. Provide education about the differences between Part D plans.
- Hold SPAP pharmacy network meetings to educate area pharmacists about how to refer beneficiaries to the SPAP when a beneficiary cannot meet their Part D cost sharing.
- Send data match file to CMS to find out which SPAP enrollees have applied and been denied or awarded the low-income subsidy.
- Send letters to SPAP enrollees who have not applied, but based on the SPAP income data, may be eligible for the low-income subsidy.

#### **Grant Funds- Period of Availability:**

While we understand that the timeframes for spending grant monies for FFY 2005 are tight, these monies must be expended (paid out) in accordance with federal contract law. The SPAP transitional grants are awarded in accordance with the requirements set forth in the Code of Federal Regulations (CFR) at 45 CFR Part 92. Under section 92.23 (Period of Availability), a Federal grantee must pay off all obligations incurred under the award not later than 90 days after the end of each of the funding periods (FFY 2005 and FFY 2006). For example, an obligation incurred in FY 2005 for services or contracts must be paid within 90 days after September 30, 2005, to be reported as FY 2005 expenditures. All grant monies for obligations in FY 2005 must be expended no later than December 29, 2005. Funds expended after that date will be considered part of the FFY 2006 grant. Funds paid more than 90 days after September 30, 2006, will not be reimbursed by the federal government.

#### **Additional Guidance:**

In the near future, additional information will be sent to SPAPs addressing coordination of outreach and education efforts with those of the Social Security Administration and the Centers for Medicare & Medicaid Services. Guidance is also forthcoming on options for SPAPs to wraparound the Part D benefits in a non-discriminatory manner.