

Information for HRSA Grantees on Medicare and Pharmacy Services

May 2006

Key Messages

- » If you serve Medicare patients, you need to obtain a National Provider Identifier. See below.
- » For FQHCs and RHCs that serve Medicare patients where Medicare Advantage (managed care) plans are available to patients in your area, there are steps you must take to continue receiving reimbursement for serving them. See page 2 ?
- » If you offer pharmacy services to Medicare patients, you need to sign contracts with Medicare Part D plans to obtain reimbursement. See page 3 ?
- » If you offer pharmacy services, you can save up to 77% on drug and supply costs by signing up with 340B and the Prime Vendor. See page 4 ?

National Provider Identifier or NPI

HRSA grantees providing health care services need to quickly obtain a national provider identifier (NPI) if they don't already have one. This NPI is now required to obtain a Medicare provider number and will be generally required for most providers by May 23, 2007 and for small health plans (less than \$5 million in annual revenues) by May 23, 2008. Please do not wait - get your NPI now. The NPI is a 10-digit number that replaces various health care provider identifiers in use today. It is needed for third party reimbursements and allows for simpler electronic transactions.

To obtain a NPI number, go to National Plan & Provider Enumeration System (NPPES) <https://nppes.cms.hhs.gov/NPPES/Welcome.doc> or download the application form at <http://new.cms.hhs.gov/NationalProvIdentStand/Downloads/NPIapplication.pdf>

Letter announcing the start of the NPI from CMS Administrator
<http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/NPIdearprovider.pdf>

National Provider Identifier Fact Sheet
http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/NPIFactSheet_010906.pdf

Federal Register Notice on the National Provider Identifier System
<http://new.cms.hhs.gov/NationalProvIdentStand/Downloads/system.pdf>

Changes in the Medicare Advantage (MA) Program

- 1 - FQHCs and RHCs that serve patients enrolled in Medicare Advantage plans must negotiate written contracts with those MA Plans to receive maximum reimbursement.
- 2 - To be eligible to receive wrap-around payments, Health Centers must notify the Medicare Fiscal Intermediary that a contract is in place between the Health Center and the MA plan to actually receive the wrap-around payment. If the FI is not notified, the Health Center will not receive its wrap-around payments.
- 3 - Providers need to understand the different MA plan types (Medicare Managed Care Plans, Regional Medicare PPO Plans, Medicare Private Fee-For-Service Plans, and Medicare Special Needs Plans) and determine: 1) the benefit package they will be expected to provide; 2) beneficiary co-pays; 3) reimbursement from the MA Plan; and 4) wrap-around payments as applicable.
- 4 - FQHCs need to be aware that certain Part B services are not included in the "bundled services" per-visit-payment under Medicare Advantage. Health Centers will not receive a wrap-around payment for those non-bundled Part B Medicare services. Negotiations and contract language will need to be drafted between the Health Center and Medicare Advantage plan specifying a payment amount for those specific non-bundled Part B services covered by the Plan. Health Centers that are currently paid under Fee-For-Service Medicare for non-bundled Part B services may want to consider the appropriateness of that payment amount in negotiations with Medicare Advantage Plans.
- 5 - Given the expansion of MA Plans, and their cost-savings to beneficiaries, it is likely that more Medicare beneficiaries will select them. Safety net providers need to highlight themselves as being an asset to the MA Plans given their experience, patient base, and prominent role in serving low-income Medicare beneficiaries.
- 6 - For MA questions, Health Centers can contact John Stoll, Manger Provider Audit & Reimbursement, 414-226-6953 and John.Stoll@usgwlp.com.

Medicare Part D Reimbursement

- 1 - HRSA-supported safety-net providers with pharmacies need to consider entering into contracts with Medicare Part D plans, as many have not done so. If they encounter contracting difficulties, they should contact CMS to obtain assistance and inform their HRSA project officer.
- 2 - HRSA is concerned that too many HRSA grantees with pharmacies do not fully understand the impact of not participating in Part D on their financial well-being.

Prior to January 1st, providers obtained reimbursement for their dual eligible patients¹ from Medicaid. Now that pharmaceutical services for dual eligibles are covered under Medicare, reimbursement for their outpatient drugs is no longer available through Medicaid.

Providers that serve dual eligibles and provide outpatient prescription services without Part D contracts are experiencing a reduction in revenue given that Medicaid no longer provides drug coverage for dual eligibles. They also are missing the opportunity to obtain pharmacy reimbursement for non dual eligible Medicare beneficiaries they currently serve and other Medicare beneficiaries in the area that have enrolled in Part D plans.

Although HRSA is aware that some Part D plans have not offered acceptable contracts to safety net pharmacy providers, we are aware that at least one national plan, MemberHealth, has gone out of its way to contract with over 260 of the 340B-covered entities, including Health Centers and DSH hospitals. The MemberHealth contracting contact person is Deb Sands and she can be reached at 440-248-8448 x151 or dsands@mhrx.com. Their website is www.ccrx.net

The contact person within each prescription drug plan for pharmacy network contracting is available on the CMS Web site. On the web, visit http://www.cms.hhs.gov/prescriptiondrugcovcontra/11_rxcontracting_thirdparty.asp? Then scroll down and select the "Part D Pharmacy Contracting Contact List" link, which is http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/PharmacyNetworkContactsV2_10.21.05.zip - or hold down the control key and click this last link.

¹ Dual eligibles – people eligible for both Medicaid and Medicare
Important Information For HRSA Grantees – May 2006

Special Message from HRSA's Office of Pharmacy Affairs

- 1 - It is to the advantage of and strongly encouraged that all eligible safety-net providers with in-house pharmacies or contract pharmacies participate in the 340B program.
 - » Once enrolled in 340B, covered entities are automatically eligible to participate in the Prime Vendor Program. Both programs are designed to support and strengthen safety-net providers financially – and there are no drawbacks to participating.
 - » 340B participants experience cost savings of 20-50% on outpatient drug purchases and receive additional savings on outpatient drugs and other value-added products through eligibility to participate in the Prime Vendor Program.
 - » Free technical assistance is available. To get started, call the Pharmacy Services Support Center, the "PSSC", at 1-800-628-6297.
 - » For providers already enrolled in 340B wanting help with Part D or other pharmacy questions, technical assistance is available at 1-866-PHARM-TA.

- 2 - Of Health Centers participating in 340B, only 35% are participating with the Prime Vendor Program (PVP). Every 340B participating entity should enroll in the PVP – given the cost savings, there should be 100% participation
 - » The PVP negotiates brand and generic drugs on behalf of participants up to 77% below ceiling prices.
 - » The PVP assists participants with contracting with Part D Plans and offers other value-added products and services.
 - » Eligible grantees can contact the Prime Vendor Program directly at 1-888-340-BPVP or by visiting www.340bpvp.com.

- 3 - HRSA's Office of Pharmacy Affairs (OPA) has established the above toll-free numbers to encourage safety-net providers to get the most out of their pharmacy programs, whether they're in-house or contracted out. OPA believes that these resources significantly improve a pharmacy's bottom line and ultimately enable them to serve more patients. The Office of Pharmacy Affairs can be reached at 1-800-628-6297.