

The Unavoidable Costs

One of Alameda County's responsibilities is to administer the Medi-Cal program for our residents. Medi-Cal is California's Medicaid health care program. This program pays for a variety of medical services for children and adults living with limited income and resources. The cost of Medi-Cal is underwritten by federal and state taxes. As the cost of healthcare continues to rise, addressing the challenge of maintaining the current healthcare infrastructure increases because local governments are faced with new mandates from the federal government. In 2003, Congress signed into law the Medicare Prescription Drug, Improvement and Modernization Act. This law includes a prescription drug benefit called Medicare Part D. This new law makes prescription drug coverage available to all Medicare beneficiaries beginning January 1, 2006.

Medi-Cal Part D in California is designed to lower the cost of prescription drugs for most senior and disabled Medical beneficiaries. The program will pay for prescription drugs for Medicare/Medi-Cal dual-eligible recipients and all other Part D-eligible recipients through private prescription drug plans. Medicare prescription drug coverage is insurance that covers both brand-name and generic prescription drugs at participating pharmacies thus providing prescription drug coverage protection for people who have very high drug costs. Everyone with Medi-cal in California is eligible for this coverage, regardless of income, resources, health status, or current prescription expenses. A client's Medicare prescription drug coverage is determined by the kind of health care coverage a person has currently. There are a few ways to get Medicare prescription drug coverage; an individual can join a Medicare prescription drug plan, join a Medicare Advantage Plan or join Medicare Health Plans that offers drug coverage. Like other insurance, there is a monthly premium, which varies by plan, and a yearly deductible (no more than \$250 in 2006).

Costs will vary depending on which drug plan a person chooses. There are some plans that may offer more coverage and additional drugs for a higher monthly premium. If an individual has limited income and resources, and they qualify for extra help, they may not have to pay a premium or deductible.

According to California Health Advocates, the Medicare drug benefit plan presents a wide, and potentially confusing, array of new options to California's four million Medicare beneficiaries. It changes the structure and delivery of drug coverage for nearly one million low-income beneficiaries in California, many who have existing drug coverage through Medi-Cal. The new drug plan is creating operational and financial challenges for the state and county government agencies responsible for implementing key elements of the new drug benefit for low-income residents. California lawmakers and program officials must make important decisions relating to the new drug benefit. These decisions will affect not only seniors and disabled persons covered by Medicare but also the state budget. The drug benefit program is being rapidly implemented under very tight deadlines while many questions regarding the benefit still await answers from the Federal Centers for Medicare and Medicaid Services. These tight deadlines make the county's task of implementation more difficult.

The May 15, 2006 deadline for enrolling in a Medicare prescription drug plan is quickly approaching and many of California's 4.2 million Medi-Cal beneficiaries find themselves confused and unprepared. The recipients are faced with choosing from among at least 50 drug plans in every county; they have questions about drug coverage options and how to select the right plan.

California has approximately one million of these so-called dual eligibles, people covered by both Medicare and Medicaid. Dual eligibles have more prescriptions than the average person with Medicare. Many are African Americans who are more likely to have diabetes or other chronic conditions. Low income individuals do not

have the resources to pay out of pocket for drugs not covered by their Medicare plan. It is essential that dual eligibles, their caregivers and counselors access information about their plans' transition policies. Such information will allow dual eligibles to be informed on the various programs so they can switch to an alternative plan that offers greater protections if they need to.

As a result of the implementation of Medicare Part D, dual eligible individuals have been faced with many challenges. The state funded emergency drug coverage for dual eligibles that are having difficulty obtaining their drugs through Part D with the passage of SB1233, which was signed by Governor Schwarzenegger on February 9, 2006. The Governor has used his discretion under the bill to extend this emergency coverage through April 16, 2006. The bill authorizes the Governor to further extend the emergency coverage in increments up to 30 days, but not beyond May 16, 2006. This program will provide payment for emergency supplies of drugs for these dual eligible beneficiaries that are unable to obtain their drugs under the Medicare program. This emergency program is available to full-benefit, dual eligible beneficiaries previously covered either by fee-for-service Medi-Cal or by a Medi-Cal managed care plan.

The Federal program designed to assist low income individuals with cost efficient drug coverage has turned out to be more of a problem than a resolution. Today we approach the important deadlines for the new mandated drug prescription program, community leaders, family members and neighbors must assure that our vulnerable communities are receiving the vital care that they need. For more information on Medi-Care Part D contact the Health Insurance and Advocacy Program (HICAP) 510 -839-0393.