REPORT OF THE
JOINT COMMISSION ON HEALTH CARE

HB 2225/SB 1341 (2003) Healthy Lives Prescription Assistance Plan Final Report

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA

REPORT DOCUMENT NO. 95

COMMONWEALTH OF VIRGINIA
RICHMOND
2006

JOINT COMMISSION ON HEALTH CARE: 2005

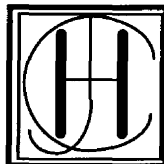
Chairman
The Honorable Harvey B. Morgan

Vice Chairman
The Honorable William C. Mims

The Honorable Harry B. Blevins
The Honorable R. Edward Houck
The Honorable Benjamin J. Lambert, III
The Honorable Stephen H. Martin
The Honorable Linda T. Puller
The Honorable Nick Rerras
The Honorable William C. Wampler, Jr.
The Honorable Clifford L. Athey, Jr.
The Honorable Robert H. Brink
The Honorable Benjamin L. Cline
The Honorable Franklin P. Hall
The Honorable Phillip A. Hamilton
The Honorable R. Steven Landes
The Honorable Kenneth R. Melvin
The Honorable John M. O'Bannon
The Honorable John J. Welch, III

Secretary of Health and Human Resources
The Honorable Jane H. Woods

Executive Director
Kim Snead



PREFACE

During the 2003 Session of the General Assembly, the enactment of House Bill 2225 and Senate Bill 1341 amended the *Code of Virginia* to establish the Healthy Lives Prescription Assistance Fund. The Fund was designed to accept "appropriations, donations, grants, and in-kind contributions to develop and implement programs that will enhance current prescription programs for citizens of the Commonwealth who are without insurance or the ability to pay for prescription drugs and to develop innovative programs to make such prescription drugs more available." The Secretary of Health and Human Resources was required to report on the Fund on an annual basis.

HB 2225 and SB 1341 included an enactment clause that required the Joint Commission on Health Care (JCHC) to prepare a plan "to provide prescription drug benefits for low-income senior citizens and persons with disabilities, which shall include consideration of the resources of both the public and the private sectors." Since the Healthy Lives Prescription Assistance Fund contained no funding, JCHC in consultation with stakeholders developed a Plan that supported existing programs.

In November 2003, the Joint Commission unanimously approved a two-phased design for the Healthy Lives Prescription Plan. Phase I of the Plan discussed ways to inform and assist seniors and their families in applying for pharmaceutical discount cards. Phase II addressed additional actions that could be taken to assist seniors and uninsured Virginians in obtaining their prescription medications.

In November 2005, JCHC voted to focus on addressing the implementation of Medicare Part D and its effect on Virginia's senior and disabled citizens. This decision was based several factors. First, the Healthy Lives Prescription Assistance Fund had received no funding. Second, passage of the Medicare Prescription Drug, Improvement and Modernization Act in establishing Medicare Part D had addressed the needs of many Virginians who had previously lacked prescription coverage. Third, several JCHC-introduced budget amendments, to increase funding for prescription assistance to uninsured Virginians, were included in the budget approved during the 2005 General Assembly Session.

On behalf of the Joint Commission on Health Care and its staff, I would like to thank the numerous individuals who represented advocacy groups, health care providers and associations, pharmaceutical manufacturers, State agencies, medical centers, and the Office of the Secretary of Health and Human Resources for their participation and assistance in designing and implementing the Healthy Lives Prescription Plan.

Kim Snead
Executive Director

May 2006

Table of Contents

Executive Summary

September 13, 2005 Slide Presentation to the Joint Commission on Health Care

Appendix A: **House Bill 2225 (2003)**
Senate Bill 1341 (2003)

HEALTHY LIVES PRESCRIPTION ASSISTANCE PROGRAM
EXECUTIVE SUMMARY

Authority for Study

House Bill 2225 and Senate Bill 1341, identical bills, enacted during the 2003 General Assembly Session amended the *Code of Virginia* to establish the Healthy Lives Prescription Assistance Fund under the auspices of the Secretary of Health and Human Resources to "accept appropriations, donations, grants, and in-kind contributions to develop and implement programs that will enhance current prescription programs for citizens of the Commonwealth who are without insurance or the ability to pay for prescription drugs and to develop innovative programs to make such prescription drugs more available." In addition, HB 2225 and SB 1341 included a second enactment clause that requires the Joint Commission on Health Care to prepare a Plan "to provide prescription drug benefits for low-income senior citizens and persons with disabilities...."

To develop recommendations for the Plan, a diverse group of interested parties, representing advocacy groups, health care providers and associations, pharmaceutical manufacturers, state agencies, and the Secretary of Health and Human Resources participated in workgroup meetings during the summer of 2003. Based on recommendations from this group, JCHC on November 12, 2003 unanimously approved a two-phased design for the Healthy Lives Prescription Plan.

Phase I included such activities as informing seniors and their families regarding the existence of pharmaceutical discount cards and affiliating with opportunities that currently exist in the community to provide assistance in filling out applications.

Implementation of Phase II included the following activities:

- Monitoring the actions of Congress regarding a Medicare prescription drug benefit;
- Examining what other states are doing to assist seniors;
- Encouraging Virginia-based initiatives such as The Pharmacy Connection;

- Continuing to develop partnerships with community-based entities such as pharmacies, faith-based organizations, human service agencies, and advocacy associations; and
- Analyzing potential legislation to increase the income limits for Medicaid eligibility in Virginia.

During the 2005 General Assembly Session, three joint resolutions and three budget amendments were introduced by the Joint Commission to provide information about and funding for prescription assistance programs. HJR 701 to encourage the Department for the Aging and the Department of Health to include information about "wrap-around" coverage offered by some private pharmaceutical companies, and
HJR 702/SJR 363 to encourage distribution of information about prescription assistance programs through the Mission of Mercy program were adopted by the General Assembly. Likewise, the three budget amendments to provide prescription assistance funding to benefit low-income Virginians through programs offered by the Virginia Health Care Foundation, free clinics, and community health centers were included in the 2005 budget approved by the General Assembly.

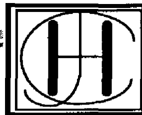
In November 2005, JCHC voted to focus on addressing the implementation of Medicare Part D and its effect on Virginia's senior and disabled citizens. This decision was based on several factors. First, the Healthy Lives Prescription Assistance Fund had received no funding. Second, passage of the Medicare Prescription Drug, Improvement and Modernization Act in establishing Medicare Part D had addressed the needs of many Virginians who had previously lacked prescription coverage. Third, several JCHC-introduced budget amendments, to increase funding for prescription assistance to uninsured Virginians by $950,000 per year, were included in the budget approved during the 2005 General Assembly Session. Consequently, this is the final report of the Joint Commission on Health Care regarding the Healthy Lives Prescription Assistance Plan.

JCHC Staff for this Report
Catherine W. Harrison
Senior Health Policy Analyst

Healthy Lives Prescription Assistance Plan Update

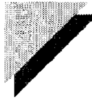
Presentation to:

The Joint Commission On Health Care



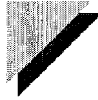
Catherine Harrison

September 13, 2005
Richmond, Virginia



Presentation Outline

- ■ *Background on the Healthy Lives Prescription Plan*
- ❑ Phases I and II of the Healthy Lives Prescription Plan
- ❑ Update on the Plan's Activities

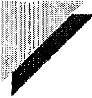


Authority for the Study

3

- House Bill 2225 and Senate Bill 1341 (2003) as enacted:
  - — Created the Healthy Lives Prescription Fund.
  - — Required VDH and VDA to establish various modes for disseminating information about prescription drug assistance.
  - — Directed JCHC to create a plan to establish the Healthy Lives Prescription Assistance Program.
    - Consider resources in the public and private sectors.
    - Target low-income elderly and individuals with disabilities.
    - Coordinate federal, state, and private programs.
    - Include stakeholders in the issue.
    - Incorporate, as it is feasible, recommendations from the Joint Commission on Prescription Drug Assistance.
      - Established by HJ 810 (2001) and continued by HJ 90 (2002).

Joint Commission on Health Care

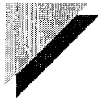


Creation of the Healthy Lives Prescription Assistance Plan

4

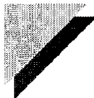
A two phase plan, created by a workgroup composed of stakeholders, was unanimously approved by JCHC on November 12, 2003 and included on the JCHC 2004 workplan.

Joint Commission on Health Care



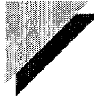
Presentation Outline

- ❑ **Background on the Healthy Lives Prescription Plan**
- ■ ***Phase I and II of the Healthy Lives Prescription Plan***
- ❑ **Update on the Plan's Activities**



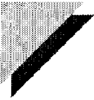
Background on Pharmaceutical Assistance Programs

- Patient Assistance Programs (PAPs)
  - Created by pharmaceutical manufacturers to provide certain medications at no cost to low-income "prescription uninsured" individuals of any age.
- Pharmaceutical Discount Cards
  - Introduced several years ago by private pharmaceutical manufacturers to assist Medicare recipients who did not have prescription coverage.
- Direct Assistance from the Federal or State Government
  - Medicaid.
  - State Pharmaceutical Assistance Programs (SPAPs).
  - Medicare prescription drug cards (2004) and full benefit (2006).



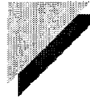
Phase I

- Focus of Phase I:
  - Inform seniors and their families about existing opportunities for pharmaceutical assistance.
  - Coordinate with current opportunities in the community to provide one-on-one help in completing applications for assistance.
- Passage of the ***Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA)*** significantly changed the focus of prescription assistance from private and state-level programs to the federally-sponsored Medicare discount cards.



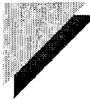
Phase II

- Phase II of the Healthy Lives Prescription Plan called for the following five activities:
  - Monitoring the actions of Congress with regard to a prescription drug benefit for Medicare beneficiaries.
  - Examining what other states have implemented to assist seniors with obtaining prescription medications.
  - Examining ways that Virginia-based initiatives such as The Pharmacy Connection and Pharmacy Connect could be enhanced.
  - Continuing to encourage partnerships with community-based entities such as pharmacies, faith-based organizations, human service agencies, and advocacy associations.
  - Considering the impact of legislation to increase the income limits for Medicaid eligibility for non-institutionalized aged, blind or disabled individuals.



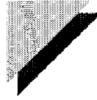
2004 Healthy Lives Prescription Plan Report

- On September 1, 2004, the Healthy Lives Prescription Plan Report was presented to JCHC.
- Ten policy options were offered for consideration by the Joint Commission on Health Care. On November 15, 2004, the Commission voted in support of six of the options including:
  - **Option II:** Introduce a joint resolution requesting the Virginia Department for the Aging and the Virginia Department of Health to provide information on the "wrap around" coverage currently offered by private pharmaceutical companies. This coverage is available for low-income individuals enrolled in the Medicare prescription drug discount card program who use all of their $600 transitional assistance credit.
  - **Option IV:** Introduce a budget amendment (language and funding) to expand the use of The Pharmacy Connection software to other areas of the state.



2004 Healthy Lives Prescription Plan Report

- **Option V:** Introduce a joint resolution requesting the Department for the Aging, the Department of Medical Assistance Services, and the Department of Health to work with the Virginia Dental Association and the Virginia Health Care Foundation in exploring the feasibility of using the Mission of Mercy initiative as a vehicle for expanding access to and information about pharmaceutical assistance programs and Medicare prescription drug discount cards.
- **Option VIII:** Continue to address the development of the Healthy Lives Prescription Plan by including the issue on the JCHC workplan for 2005.
- **Option IX:** Introduce a budget amendment (language and funding) to increase funding for the acquisition and provision of prescription medications to Free Clinic patients.
- **Option X:** Introduce a budget amendment (language and funding) to increase funding for the Virginia Primary Care Association Indigent Pharmacy Assistance Program.

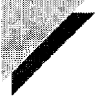


Presentation Outline

11

- ❑ Background on the Healthy Lives Prescription Plan
- ❑ Phase I and II of the Healthy Lives Prescription Plan
- ■ *Update on the Plan's Activities*

Joint Commission on Health Care

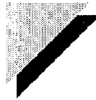


Update on the Healthy Lives Prescription Assistance Plan

12

- Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003
- Prescription Drug Outreach and Education
- Prescription Drug Access

Joint Commission on Health Care

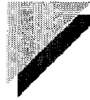


Medicare Benefits

- The benefits under Medicare are often referred to in alphabetical terms. The following list provides a short summation of covered benefits:
  - Part A - typically referred to as the hospital insurance component of fee-for-service Medicare, assists in the payment of inpatient hospital services, short-term skilled nursing facility services, certain home health services and hospice care.
  - Part B - often referred to as the medical insurance component of fee-for-service Medicare, helps pay for physician services, outpatient hospital services, certain home health services, medical equipment and supplies, and other health services and supplies.
  - Part C - previously called Medicare + Choice but now renamed Medicare Advantage, allows Medicare beneficiaries to select health plans (such as health maintenance organizations, preferred provider organizations).
  - Part D - as part of the MMA of 2003, will begin offering outpatient prescription drug coverage for Medicare beneficiaries on January 1, 2006.

Medicare Prescription Drug Program

- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) was enacted on December 8, 2003.
- Several elements of the MMA directly affecting access to prescription medications for Medicare beneficiaries include the:
  - Medicare Replacement Drug Demonstration.
  - Medicare Prescription Drug Discount Cards.
  - Transitional Assistance Program.
  - Medicare Part D Prescription Drug Benefit.

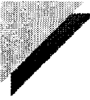


Medicare Prescription Drug Discount Cards

15

- Designed to provide temporary financial relief for Medicare beneficiaries until the full Medicare prescription drug benefit is implemented.
  - Medicare discount card program will be operational from June 2004 through December 2005.
- How do the Medicare Prescription Drug Discount cards work?
  - Cards provide discounts off the regular cash price of prescription medications.
  - Each Medicare-approved card offers varying discounts on different drugs.
  - Beneficiaries must select the card that best suits their needs.
- Estimates vary as to the amount of cost-savings available to card participants.
- Available discount cards vary by region.
  - 39 nationally approved cards.
  - 2 Virginia approved cards.
  - 3 specialty long-term care approved cards.

Joint Commission on Health Care

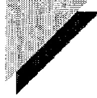


Medicare Discount Card Enrollment

16

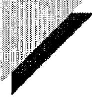
- Requirements for participation in the Medicare Prescription Drug Discount Card Program include:
  - An individual must be entitled to benefits or enrolled under Part A or enrolled under Part B of Medicare.
  - They cannot be enrolled in Medicaid and be entitled to outpatient prescription drug coverage.
- Enrollment is voluntary.
- Beneficiaries may only enroll in one Medicare-approved card at a time.
- Individuals who enroll in a discount card plan are responsible for an annual enrollment fee.
  - A card plan may charge up to $30 a year for an enrollment fee.

Joint Commission on Health Care



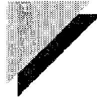
Transitional Assistance

- Yearly credit of $600 for the purchase of prescription drugs in 2004 and 2005.
- To receive transitional assistance an individual:
  - Must be eligible for the Medicare prescription drug discount card.
  - Have an income < 135% of the federal poverty level (FPL).
  - Cannot have health insurance that offers prescription drug coverage except for Medicare Part C or Medigap plans.
- Co-insurance requirements related to income when applying the $600 credit.
  - Income ≤ 100% FPL responsible for 5% coinsurance.
  - Income ≥ 101% FPL but ≤ 135% FPL responsible for 10% coinsurance.
  - Transitional Assistance beneficiaries are not responsible for annual enrollment fees.



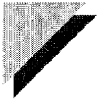
Medicare Part D Prescription Drug Benefit

- Benefit will begin on January 1, 2006.
- Individuals who are entitled to Part A or enrolled in Part B of Medicare may receive prescription drug coverage under Part D.
- Participation in Part D is voluntary.
- Drug benefit will be administered through private health plans.
  - Beneficiaries enrolled in Medicare fee-for-service may seek coverage through a stand-alone prescription drug plan (PDP).
  - Beneficiaries may also seek prescription drug coverage through a Medicare Advantage plan which covers all Medicare benefits.



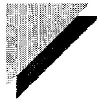
Medicare Part D Prescription Drug Benefit Enrollment

- Enrollment will occur from November 15, 2005 until May 15, 2006. The enrollment period in following years will extend from November 15 to December 31.
- A late enrollment penalty will apply if a beneficiary does not enroll in the Part D benefit at the first available opportunity.
- Beneficiaries will be able to choose a plan from options available in their geographic area.
  - Dual-eligibles who do not elect a plan will be automatically enrolled in a plan by the Centers for Medicare and Medicaid (CMS).



Medicare Part D Cost-Sharing

- Under the prescription drug benefit offered under Medicare Part D in 2006, beneficiaries will:
  - Pay the first $250 in drug costs (deductible);
  - Between $250 and $2,250, pay 25% of total drug costs;
  - Between $2,250 and $5,100 pay 100% of total drug costs (possibly up to $2,850 out-of-pocket, this is commonly referred to as the "donut hole");
  - Once the catastrophic threshold for drug costs of $5,100 is reached, the individual pays the greater of $2 for generics, $5 for brand drugs, or 5% co-insurance.
- Deductibles, benefit limits, and catastrophic thresholds are indexed to rise with the growth in per capita Part D spending.
- Premiums are expected to average $32.20 per month for basic coverage, which is below the original prediction of $35 and later estimates of $37.

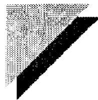


TrOOP

21

- Medicare Part D "true" out-of-pocket costs are commonly referred to as TrOOP.
- Part D catastrophic coverage is based on an individual's TrOOP.
- The standard Part D benefit has an out-of-pocket cost or TrOOP limit of $3,600.
- For a standard Part D beneficiary, only those costs paid by the beneficiary and not by a third party are used (such as supplemental insurance by a former employer) when calculating an individual's TrOOP costs.
- Certain payments from third parties are included in the TrOOP calculation. They include assistance provided by:
  - Family members;
  - The Medicare low-income subsidy;
  - State pharmaceutical assistance programs (SPAPs); and
  - Charities unaffiliated with employers or unions.
- Part D beneficiaries will receive periodic statements from their prescription drug plan on the status of their TrOOP.
  - CMS issued RFP to develop a real time claims system so that when a beneficiary pays for his medication he is billed the appropriate amount based on his TrOOP.

Joint Commission on Health Care



Medicare Part D Cost-Sharing for Medicaid Dual-Eligibles

22

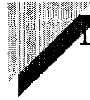
Dual-Eligibles with Income<100%FPL

- Drug benefit will be provided through Medicare.
- No premium.
- No deductible.
- No co-pays once total drug costs reach $5,100.
- Below the catastrophic threshold individual **will pay $1 to $3 co-pays.**
- Institutionalized individuals are not responsible for cost-sharing.

Dual-Eligibles with Income>100% FPL

- Drug benefit will be provided through Medicare.
- No premium.
- No deductible.
- No co-pays once total drug costs reach $5,100.
- Below the catastrophic threshold individual **will pay $2 to $5 co-pays.**
- Institutionalized individuals are not responsible for cost-sharing.

Joint Commission on Health Care



Medicare Part D Cost-Sharing for Low-Income Beneficiaries

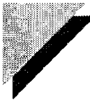
23

Beneficiary Income < 135% FPL with Assets < $6,000 ($9,000 for a couple)

- Subsidy provided to cover the average monthly premium for basic coverage in their region.
- No deductible.
- $2 to $5 co-pay.
- No co-pays after total drug costs reach catastrophic coverage level of $5,100.

Beneficiary Income < 150%FPL and Assets < $10,000 ($20,00 for a couple)

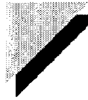
- Premium subsidies provided on a sliding scale.
- $50 deductible.
- 15% co-pay up to the $5,100 catastrophic coverage limit.
- After the catastrophic limit is reached, a beneficiary is responsible for $2 to $5 co-pays.



Part D Enrollment for Low-Income Beneficiaries

24

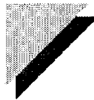
- Low-income Medicare beneficiaries may apply for subsidies through the state Medicaid office or through the Social Security Administration.
- Certain individuals are automatically deemed eligible for low-income subsidies, including:
  - Dual-eligibles;
  - Medicare Savings Program (MSP) beneficiaries (QMBs, SLMBs, etc.); and
  - SSI recipients.
- SSA and CMS began mailings to and accepting applications for low-income subsidy eligible beneficiaries. SSA began processing applications for assistance on July 1, 2005.
- Medicare will automatically enroll certain individuals if they have not chosen a plan.
  - Dual-eligibles if they do not chose a plan by December 31, 2005.
  - Facilitated enrollment of SSI recipients or MSP beneficiaries will occur if they have not chosen a plan by May 15, 2006.



Additional Information for Medicare Beneficiaries

25

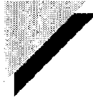
- Medicare beneficiaries can gather additional information about prescription drug coverage by:
  - Calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
  - Accessing the Medicare website at www.medicare.gov.
  - Reading the new "Medicare and You 2006" handbook which will be delivered in the mail in October 2005.
- For additional information on applying for Part D and low-income assistance individuals may contact the Social Security Administration by:
  - Calling 1-800-772-1213. TTY users should call 1-800-325-0778.
  - Visiting the website www.socialsecurity.gov.



Medicaid and the Medicare Drug Benefit

26

- Beginning January 1, 2006, Medicaid will no longer provide, with certain exceptions, prescription drug coverage for individuals eligible for full Medicaid benefits and Medicare Part D.
- States will still be responsible for paying part of the cost of providing prescription drug coverage for these dual-eligibles.
  - Payments to the federal government have been named the "clawback."
    - "Clawback" formula relies on a per capita expenditure, that is largely based on a state's Medicaid spending for prescription drugs for dual-eligibles in calendar year 2003.



Medicaid Issues

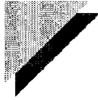
- The way the ***Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA)*** is currently written, a state that implemented prescription drug cost-savings measures after 2003 would not benefit from reduced costs in the "clawback" calculation used by CMS.
- Although the MMA calls for a "phased down contribution" (state share is set at 90% of costs for 2006 and decreases to 75% by 2015), the savings some states will realize will be lower if the "clawback" payment is based on 2003 prescription drug expenditures.
- States are anticipating additional administrative costs associated with Part D.
  - Assisting Medicare beneficiaries.
  - Additional reporting requirements.

Additional Costs Associated with Part D in Virginia

Estimated General Fund Impact (Millions)

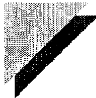
As provided to the Senate Finance Committee on 5-19-05 by DMAS

	CY 2006	CY 2007	CY 2008	CY 2009
Net Impact of Clawback	$13.6	$15.9	$17.9	$19.4
Administrative Costs	$3.0	$2.4	$2.5	$2.5
Anticipated New Duals	$5.6	$5.9	$6.2	$6.5
TOTAL	$22.2	$24.2	$26.6	$28.4



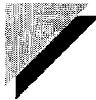
Part D Activities in Other States

- As of July 2005, 43 states were considering legislation that proposed policy changes related to the MMA of 2003 including:
  - Allowing SPAPs to provide "wrap around" coverage to fund costs not covered under Part D.
  - Expanding eligibility or creating new SPAPs focused on non-Medicare beneficiaries under age 65.
  - Restricting eligibility for SPAPs, in order to reduce duplication with Part D.
  - Terminating SPAPs.
  - Disseminating state-initiated information.
  - Appropriating funds related to MMA implementation.
  - Coordinating state Medicaid programs.
- As of July 2005, 25 states had enacted laws related to the MMA.



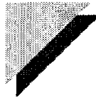
Outreach and Education "Wrap-Around" Coverage

- HJ 701 (JCHC Option II) encouraged VDA and VDH to provide information about "wrap-around" coverage offered by some pharmaceutical companies for low-income Medicare prescription drug discount card participants who exhaust their $600 transitional assistance credit.
- Pharmaceutical companies providing additional assistance (as provided by CMS) include:
  - Abbott
  - AstraZeneca
  - Eli Lilly
  - Genzyme
  - Johnson & Johnson
  - Merck
  - Novartis
  - Pfizer.



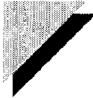
Outreach and Education "Wrap-Around" Coverage

- In response to HJ 701, VDH and VDA have:
  - — Participated in information sessions and conference calls regarding Part D and distributed information to the appropriate parties.
  - — Distributed materials developed by pharmaceutical companies to allow one application for wrap around assistance. The specifics of how this will operate are still being discussed.
  - — Made telephone numbers and web sites available to provide additional information and help individuals access services.
  - — Conducted training with local partners about the discount cards and new Medicare drug benefit.



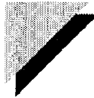
Outreach and Education Mission of Mercy Program

- HJ 702 and SJ 363 (JCHC Option V) encouraged VDA, DMAS, and VDH to consult with the Virginia Dental Association and the Virginia Health Care Foundation on the feasibility of disseminating information on prescription assistance programs and prescription drug discount cards through the Mission of Mercy (MOM) program.
  - — MOM projects are conducted in underserved areas of the state where there are not enough resources or dental practitioners to meet the needs of citizens within the community.
    - Information is currently provided to MOM clinic attendees on Medicaid, FAMIS, mental health and primary care services.
- AAAs have been actively involved in MOM program, from donating materials and staff, identification of potential participants, to other critical activities.
- DMAS has continued to assist in the dissemination of information, most recently with the Remote Area Medical Project in Wise County in July 2005. Representatives from CMS and SSA were on hand to provide additional information.
- VDH has been working collaboratively with DMAS and VDA to provide information. They also participated at the most recent event with the AAAs and DMAS in Wise County.



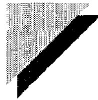
Prescription Drug Access
The Pharmacy Connection

- The Pharmacy Connection (TPC), a software program developed by the Virginia Health Care Foundation (VHCF), is designed to assist medical practices, free clinics, and similar organizations process applications for Patient Assistance Programs (PAPs).
- TPC allows individuals to access over 125 patient assistance programs.
- $277 million (average wholesale price) of free medications had been accessed through this program since its inception in 1997.
- Funding of $200,000 was provided for FY 2005 and for FY 2006 from TANF and Social Services Block Grant funds to VHCF in support of the Mount Rogers Medication Assistance Program.
  - $19.1 million in free medications accessed since FY 2003.
- The General Assembly appropriated $125,000 for FY 2005 and for FY 2006 to the VHCF to expand TPC to underserved areas of the state. From this funding, the VHCF created MAP of the Piedmont in Southside Virginia.
  - $3.5 million in free medication accessed in the programs first year of funding.



Prescription Drug Access
The Pharmacy Connection

- Using TPC software program, Pharmacy Connect of Southwest Virginia, serves the counties of Lee, Scott, Wise, Buchanan, Dickenson, Russell, Tazewell, and the city of Norton.
  - From July 1, 2000 to June 30,2005, Pharmacy Connect of Southwest Virginia has helped individuals access $59,299,877 (wholesale value) worth of medications.
  - The General Assembly appropriated $364,809 each year for fiscal years 2005 and 2006 for the Pharmacy Connect of Southwest Virginia program.

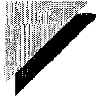


Prescription Drug Access
The Pharmacy Connection

- The 2005-2006 State Budget provided $1,350,000 GFS for FY 2006 to the Virginia Health Care Foundation to increase the capacity of health safety net providers to expand services to unserved or underserved Virginians.
  - Of this amount, $350,000 was appropriated for Medication Assistance Coordinators.
    - JCHC submitted budget amendments of $350,000 (JCHC Option IV) to increase the Governor's amended budget from $350,000 to $700,000.
  - Of the $1,350,000 original appropriation, $150,000 is to be made available for locations with existing medication assistance programs.

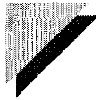
Prescription Drug Access
The Pharmacy Connection Expansion

- The *RxRelief Virginia* program seeks to expand the use of medication assistance programs (MAPs) through funding provided by the General Assembly for FY 2006.
- 26 proposals from around the state were received by VHCF, in response to an RFP issued in April 2005.
- Eight proposals representing 10 organizations were recommended for funding. Other applicants may receive funding at a later date, pending improvement in certain areas.



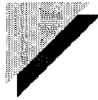
Prescription Drug Access
Rx Partnership

- Rx Partnership is a non-profit, public-private partnership that serves as a broker between pharmaceutical companies' patient assistance programs (PAPs) and the pharmacies that are run by community-based clinics.
- Two participating drug manufacturers:
  - GlaxoSmithKline.
  - Merck.
- The General Assembly appropriated $75,000 for FY 2005 and for FY 2006.
  - Retail value of medications provided to clinics and health centers to date has been $2,469,644.



Prescription Drug Access
Free Clinics

- The Free Clinics play a vital role in providing needed prescription medications to the uninsured. Medical health care professionals volunteer thousands of hours of care each year in Free Clinics.
- For FY 2005, $921,400 in state funds plus additional funding from other sources ($3,535,033) were used by the Free Clinics to access $41,109,324 in medications.
- VAFC received an additional $400,000 GFS, for a total funding amount of $1,321,400 GFS for FY 2006.
  - JCHC had submitted a budget amendment for an additional $778,600 GF in FY 2006 (JCHC Option IX).



Prescription Drug Access
Community Health Centers

- Community Health Centers provide services to many of the uninsured and impoverished in 70 medically underserved communities across the state.
- During FY 2005, $233,750 GFS were leveraged to provide $35,683,544 in medications. The number of uninsured patients receiving medications increased by 22,544.
- VPCA received an additional $200,000 GFS, for a total funding amount of $433,750 GF for FY 2006.
  - JCHC had submitted a budget amendment to provide an additional $110,000 GF for FY 2006 (JCHC Option X).

APPENDIX A

VIRGINIA ACTS OF ASSEMBLY -- 2003 SESSION

CHAPTER 661

An Act to amend the Code of Virginia by adding in Article 6 of Chapter 2 of Title 2.2 a section numbered 2.2-214.1 and by adding in Article 3 of Chapter 1 of Title 32.1 a section numbered 32.1-23.1, relating to the Healthy Lives Prescription Fund.

[H 2225]

Approved March 19, 2003

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 6 of Chapter 2 of Title 2.2 a section numbered 2.2-214.1 and by adding in Article 3 of Chapter 1 of Title 32.1 a section numbered 32.1-23.1 as follows:

§ 2.2-214.1. Healthy Lives Prescription Fund; nonreverting; purposes; report.

A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be known as the Healthy Lives Prescription Fund.

B. The Fund shall be established on the books of the Comptroller. The Fund shall consist of such moneys appropriated by the General Assembly and any funds available from the federal government, donations, grants, and in-kind contributions made to the Fund for the purposes stated herein. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

C. Moneys in the Fund shall be available to develop and implement programs that will enhance current prescription drug programs for citizens of the Commonwealth who are without insurance or ability to pay for prescription drugs and to develop innovative programs to make such prescription drugs more available.

D. The Secretary shall provide an annual report on the status of the Fund and efforts to meet the goals of the Fund.

§ 32.1-23.1. Alternative delivery of certain information.

A. The Commissioner shall create links from the Virginia Department of Health's website to the Virginia Department for the Aging's website and its affiliated sites pertaining to pharmaceutical assistance programs and pharmaceutical discount purchasing cards. The Commissioner of the Department for the Aging shall cooperate with the Commissioner of Health by ensuring that such information is available on the Department for the Aging's website.

B. The Commissioner shall ensure that all clinical sites administered by local health departments are provided with adequate information concerning the services of the Virginia Department for the Aging, including, but not limited to, its toll-free telephone number and its website information on pharmaceutical assistance programs and pharmaceutical discount purchasing cards.

C. The Commissioner of Health and the Commissioner of the Department for the Aging shall coordinate the dissemination of information to the public regarding any pharmaceutical discount purchasing card programs while maintaining a neutral posture regarding such programs.

D. The Commissioner shall establish a toll-free telephone number, to be administered by the Virginia Department of Health, which shall provide recorded information concerning services available from the Department for the Aging, the Virginia Area Agencies on Aging, and other appropriate organizations for senior citizens.

2. That the Joint Commission on Health Care or any successor in interest thereof shall prepare a plan to establish the Healthy Lives Prescription Assistance Program to provide prescription drug benefits for low-income senior citizens and persons with disabilities, which shall include consideration of the resources of both the public and private sectors. The Joint Commission on Health Care shall prepare the plan in cooperation with the Secretary of Health and Human Resources, the Virginia Health Care Foundation, pharmaceutical manufacturers, health care provider organizations, advocacy groups, and other interested parties. In preparing the plan, the Joint Commission on Health Care shall review and incorporate, to the maximum extent possible, the conclusions of the Joint Commission on Prescription Drug Assistance, established pursuant to HJR 810 of 2001 and continued pursuant to HJR 90 of 2002. The plan shall coordinate state, federal and private programs providing such assistance, including any programs the federal government may implement. The Joint Commission on Health Care shall report its recommended plan to the Governor, the Chairmen of the House Committee on Appropriations, the Senate Committee on Finance, the House Committee on Health, Welfare and Institutions, and the Senate Committee on Education and Health by October 15, 2003.

VIRGINIA ACTS OF ASSEMBLY -- 2003 SESSION

CHAPTER 674

An Act to amend the Code of Virginia by adding in Article 6 of Chapter 2 of Title 2.2 a section numbered 2.2-214.1 and by adding in Article 3 of Chapter 1 of Title 32.1 a section numbered 32.1-23.1, relating to the Healthy Lives Prescription Fund.

[S 1341]

Approved March 19, 2003

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 6 of Chapter 2 of Title 2.2 a section numbered 2.2-214.1 and by adding in Article 3 of Chapter 1 of Title 32.1 a section numbered 32.1-23.1 as follows:

§ 2.2-214.1. Healthy Lives Prescription Fund; nonreverting; purposes; report.

A. There is hereby created in the Department of the Treasury a special nonreverting fund that shall be known as the Healthy Lives Prescription Fund.

B. The Fund shall be established on the books of the Comptroller. The Fund shall consist of such moneys appropriated by the General Assembly and any funds available from the federal government, donations, grants, and in-kind contributions made to the Fund for the purposes stated herein. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

C. Moneys in the Fund shall be available to develop and implement programs that will enhance current prescription drug programs for citizens of the Commonwealth who are without insurance or ability to pay for prescription drugs and to develop innovative programs to make such prescription drugs more available.

D. The Secretary shall provide an annual report on the status of the Fund and efforts to meet the goals of the Fund.

§ 32.1-23.1. Alternative delivery of certain information.

A. The Commissioner shall create links from the Virginia Department of Health's website to the Virginia Department for the Aging's website and its affiliated sites pertaining to pharmaceutical assistance programs and pharmaceutical discount purchasing cards. The Commissioner of the Department for the Aging shall cooperate with the Commissioner of Health by ensuring that such information is available on the Department for the Aging's website.

B. The Commissioner shall ensure that all clinical sites administered by local health departments are provided with adequate information concerning the services of the Virginia Department for the Aging, including, but not limited to, its toll-free telephone number and its website information on pharmaceutical assistance programs and pharmaceutical discount purchasing cards.

C. The Commissioner of Health and the Commissioner of the Department for the Aging shall coordinate the dissemination of information to the public regarding any pharmaceutical discount purchasing card programs while maintaining a neutral posture regarding such programs.

D. The Commissioner shall establish a toll-free telephone number, to be administered by the Virginia Department of Health, which shall provide recorded information concerning services available from the Department for the Aging, the Virginia Area Agencies on Aging, and other appropriate organizations for senior citizens.

2. That the Joint Commission on Health Care or any successor in interest thereof shall prepare a plan to establish the Healthy Lives Prescription Assistance Program to provide prescription drug benefits for low-income senior citizens and persons with disabilities, which shall include consideration of the resources of both the public and private sectors. The Joint Commission on Health Care shall prepare the plan in cooperation with the Secretary of Health and Human Resources, the Virginia Health Care Foundation, pharmaceutical manufacturers, health care provider organizations, advocacy groups, and other interested parties. In preparing the plan, the Joint Commission on Health Care shall review and incorporate, to the maximum extent possible, the conclusions of the Joint Commission on Prescription Drug Assistance, established pursuant to HJR 810 of 2001 and continued pursuant to HJR 90 of 2002. The plan shall coordinate state, federal and private programs providing such assistance, including any programs the federal government may implement. The Joint Commission on Health Care shall report its recommended plan to the Governor, the Chairmen of the House Committee on Appropriations, the Senate Committee on Finance, the House Committee on Health, Welfare and Institutions, and the Senate Committee on Education and Health by October 15, 2003.

JOINT COMMISSION ON HEALTH CARE

Executive Director

Kim Snead

Principal Health Policy Analyst

April Kees

Senior Health Policy Analyst

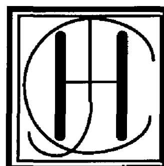
Catherine W. Harrison

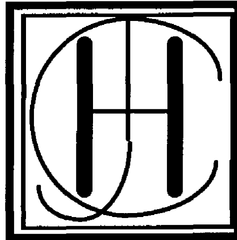
Intern

Ridgely Minter

Office Manager

Mamie White Jones





Joint Commission on Health Care
900 East Main Street, 1st Floor West
P.O. Box 1322
Richmond, Virginia 23218
(804) 786-5445
(804) 786-5538 (FAX)

E-Mail: jchc@leg.state.va.us

Internet Address:

http://legis.state.va.us/jchc/jchchome.htm