



Office of the Administrator

January 13, 2006

To Our Partners:

I want to thank you for all your assistance in helping us reach this point in the implementation of the Medicare prescription drug program. The awareness of the benefit is extremely high, enrollment is very encouraging, and since January, 1, pharmacists across the country have filled millions of prescriptions for people with Medicare. CMS estimates that approximately 6.5 million prescriptions were filled for Medicare beneficiaries at retail pharmacies in the first 10 days, based on our surveys. For those beneficiaries who are in nursing homes, we estimate an additional more than 3 million prescriptions were filled during this time.

While I am pleased that we are filling about 1 million prescriptions each day and that every day, hundreds of thousands more beneficiaries are realizing savings as they use the benefit, I am very concerned that a number of dual eligible beneficiaries have had difficulty in obtaining their prescriptions. I would like to share with you the steps we have taken to resolve this situation as quickly as possible. I know we have a shared goal of making sure that every beneficiary receives their prescriptions, especially those most vulnerable in our society, which is why I have taken action over the past few days to make sure every beneficiary is able to receive their prescriptions in a timely fashion.

Systems

First, CMS is reviewing our systems and data files to ensure that any systems issue be resolved as quickly as possible. As you know, the implementation of Part D is a major undertaking, involving many new procedures, new systems, and the integration and coordination of numerous programs, including states' files, plan information, and pharmacy programs. We are reviewing our processes and systems in an effort to address any systemic issues with our enrollment process and infrastructure.

States

In addition, I am working very closely with the states, our key partners in the Medicaid transition, to ensure that their constituents are served properly and receive their prescriptions in a timely fashion. Specifically, we are consulting with the states that have activated their state billing systems to permit payment for the dual eligible beneficiaries who are experiencing problems. I am committed to working closely with the states to ensure that their programs will work for beneficiaries and their pharmacies.

We want the states to be the payer of last resort and are working with them to limit their financial exposure in the event that the cost sharing information available is erroneous. We are working to ensure that these particular individuals can be fully enrolled in a drug plan, and we will facilitate state reconciliation of their payments with the prescription drug plans.

Expedited Cost Sharing Approvals

I have also instructed prescription drug plans to set up an expedited process to handle the cost sharing approvals. The plans will immediately create a special unit to assist the pharmacists and provide them with an expedited approval process. Even though the Part D program is new, I do not want the pharmacists on hold for any longer than necessary. Therefore, the pharmacist will have a dedicated resource to get rapid response on this kind of cost sharing issue. We will reduce the wait times for beneficiaries and pharmacists in order to avoid any beneficiary leaving the pharmacy without their prescriptions.

Transition Policies

As you are well aware, prescription drug plans are required to have transition policies in place to ensure beneficiaries get their needed first prescriptions filled at the point of sale when transitioning to a Part D plan. This is especially important in the long term care setting. On January 6, CMS issued guidance re-emphasizing this important requirement. I am now instructing Part D plans to establish an expedited process for pharmacists to obtain appropriate authorizations to override any edits that would apply in the absence of their transition policies. Some plans are fully automating their systems as well. This should ensure that beneficiaries receive the drugs they are entitled to, that the burden on pharmacists is reduced and that pharmacists can expedite claims processing at the plan.

Casework

To assist individual beneficiaries who are experiencing problems at the pharmacy counter, CMS has established a network of hundreds of caseworkers across the country. These caseworkers are working closely with plans, beneficiaries, states and congressional offices to expedite any processing issues and to get beneficiaries their prescriptions. If you are aware of beneficiaries in need of assistance, please encourage them to contact their closest CMS regional office or to call 1-800-MEDICARE. Pharmacists can also call our special toll-free pharmacist line to get assistance for a beneficiary who is having any difficulty.

I am, as I know you are, absolutely committed to ensuring that this program works for all people with Medicare. Please know how much I value our partnership and I hope you will not hesitate to contact us with concerns and observations.

Mark B. McClellan, MD, PhD