TESTIMONY OF SHARON FARR

ACCOUNTS RECEIVABLE SUPERVISOR
CENTER FOR INDIVIDUAL AND FAMILY SERVICES, MANSFIELD, OHIO

ON BEHALF OF THE NATIONAL COUNCIL FOR COMMUNITY BEHAVIORAL HEALTHCARE
AND
THE NATIONAL ALLIANCE ON MENTAL ILLNESS

REGARDING

MEETING THE CHALLENGES OF MEDICARE DRUG BENEFIT IMPLEMENTATION

February 2, 2005

Good morning Chairman Smith and members of the committee, my name is Sharon Farr and I am an accounts receivable supervisor at the Center for Individual and Family Services in Mansfield, Ohio. I supervise a staff of five case managers working with 140 persons with serious mental illnesses eligible for both Medicare and Medicaid who quality for the new Part D prescription drug benefit. Today, I will briefly outline some significant challenges that one my clients -- Mike Donato -- and many other dual eligibles with mental disorders are experiencing with the new Medicare prescription drug benefit.

Part D Challenges: Mike Donato's Success Story

Let us focus on Mike's case for just a moment. As you just heard, he takes medications for nine health conditions including schizophrenia, bipolar disorder, diabetes, asthma and high blood pressure. In late 2005, Mike was auto-enrolled into an AARP Prescription Drug Plan (PDP). When he attempted to get his prescriptions filled in early January, Mike did not appear in the Walgreen's computer system as a dual eligible. The pharmacy charged him a $250 deductible plus the co-payment for all the medications Mike takes – about $700 in all. It is very important to note that his Social Security disability check amounts to $694 per month for ALL his living expenses. Mike's mother stepped into the situation at that point and gave him $67 so that he could at least purchase his mental health medications. When I contacted AARP, I was told to wait 48 hours and the computer glitch would be corrected, but nothing happened after two days.

I then began calling the Center for Medicare and Medicaid Services (CMS), AARP and Walgreen's -- all with the objective of enrolling Mike as a dual eligible so he could qualify for the subsidies due him. I was calling these organizations three times per day for a solid week. At one point, I was on the phone for 3 ½ hours and endured multiple phone cut offs. Meanwhile, the AARP website had no mechanism for identifying dual eligibles upon enrollment. By the way, Community Mental Health Centers across the country are reporting very similar experiences….particularly with respect to PDP prior authorization processes. Many consumers who, for example, are stabilized on an anti-psychotic medication now find that this same drug is subject to PDP fail first policies requiring case managers to navigate often confusing new systems.

Finally, three weeks after his Part D odyssey began, Mike showed up on Walgreen's computer system as a dual eligible. Mr. Chairman, I don't mind telling you that we had a little celebration. Mike can now afford all nine drugs in his medication regimen, which is something he could NOT do under the Ohio Medicaid program. Walgreen's was very accommodating throughout the process and even refunded Mike's mother her $67 co-payment.

Policy Solutions

Throughout this process, I have been working with both the National Alliance on Mental Illness (NAMI) and the National Council on Community Behavioral Healthcare (NCCBH) who have provided invaluable assistance.

Administrative Issues: Both NAMI and the National Council hope that CMS will successfully resolve the information technology problems that have plagued Part D to date. In addition, our colleagues in the mental health field – including the American Psychiatric Association and the National Mental Health Association – insist that PDPs provide a 30 day emergency supply of medication as required by current CMS transition policy. It is also essential that CMS renew the "all or substantially all" formulary guidance requiring broad coverage of anti-psychotics, anti-depressants and anti-convulsants for the 2007 contract year and beyond. This is critically important for making the drug benefit effective for people with severe mental illnesses. In addition, as front line safety net providers, we need a workable and transparent exceptions process to ensure that dual eligibles are able to quickly access medications that are subject to prior authorization and step therapy.

Legislative Issues: In closing, there are some immediate issues that need the attention of Congress. For instance, CMHCs have found that the co-payment structure for dual eligibles is unwieldy and confusing. This requirement has generated thousands of additional visits to CMHCs across the nation, and the tremendous staff time involved amounts to an unfunded mandate on safety net community mental health providers. In fact, I estimate that my five case managers have spent 200 to 300 hours attempting to enroll dual eligibles in the new benefit. Moreover, people with Alzheimer's disease, mental retardation and mental illnesses eligible for Part D need additional help – specifically one-on-one pharmaceutical benefits counseling. The House and Senate

Appropriations Committee required CMS to provide additional assistance through the $150 million MMA Education and Outreach Program, but it has not materialized to date.

Thanks for listening. I look forward to answering any questions you may have.