



The Medicare Prescription Drug Benefit: Implications for Health Centers and FQHC Pharmacies

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Why should FQHCs care about the Medicare Drug Benefit?

1. Pharmacy Implications
2. Medical Practice Implications
3. Revenue Implications
4. Opportunities for Future Growth



Pharmacy Service Implications for FQHCs

- Participation with Part D Plans is critical
 - January 1st, Medicaid will no longer reimburse the vast majority of Rx for “dual eligibles”
- Implications for other programs?
 - Pharmacy Assistance Programs (State and Manufacturer)
 - Continuation of State Medicaid coverage to wrap-around coverage gaps



Medical Service Implications for FQHCs

- **De-linking** the FQHC as the medical home and receipt of pharmacy services (340B requirements)
- Opportunity to **attract new Medicare users**
- Opportunity to **build relationships** in communities



Revenue Implications for FQHCs

- **Pharmacy revenues** – increase or decrease?
- **Medicare revenues** – increase or decrease?
- **Revenue opportunities** of new Medicare Rx services
- **Maximizing revenues** through 340B acquisition and pharmacy dispensing fees



Growth Opportunities for FQHCs

- New Services/Lines of Business
- New users
- New partnerships



Outreach and Enrollment: Is there a role for FQHCs?

- Helping seniors understand the Medicare drug benefit is consistent with:
 - The historic mission of health centers to serve those in most in need in the community; and
 - Section 330(b)(1)(A)(iii) to provide “services designed to assist health center patients in establishing eligibility for or gaining access to Federal, State and local programs that provide or financially support the provision of medical social, educational, or other related services”



How can FQHCs directly benefit from education and outreach in Part D?

- Build trust in FQHC in the community
- Expand their patient base for both medical and/or pharmacy services
- Build partnerships for the long-term
- New revenue sources



What to be prepared for...

- Senior's skepticism of program and suspicion about public assistance
- Myths and misinformation
- Difficulty explaining complex program
- CMS' reliance on technology (Internet and Toll-Free) for information and enrollment
- Reaction to fees and co-payments
- Reluctance of seniors to provide personal information



Specific Actions with Respect to Outreach and Enrollment

1. Assess staff knowledge of programs and adequately prepare staff – Medicare, Part D drug benefit, dual eligibility, Medicare Savings Programs
2. Develop a game plan and obtain organizational buy-in on outreach and education effort
 - Identify and empower single outreach leader for effort
3. Organize systematic response effort – identify role of outreach worker, intake worker, clinician, and (if applicable) pharmacist



More Specific Outreach and Enrollment Activities

4. Develop community-specific materials using CMS and other materials as a foundation:
www.cms.hhs.gov/partnerships or
www.accesstobenefits.org
5. KISS – K e e p I t S i m p l e for S e n i o r s
6. Use the media and generate public interest
7. Reach out to current patients first



In summary...

- FQHCs face challenges and opportunities under Medicare Drug Benefit
 - There are opportunities for FQHCs to make a real difference for seniors
- FQHCs should plan now – not on January 1, 2005
- Must have a strategy for the health center's response
- Questions



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