



COMMISSIONER
James R. Hine

December 21, 2005

To: Nursing Facilities and Intermediate Care Facilities for Mentally Retarded/Related Conditions

Subject: Provider Letter #05-52 – Is Your Facility Ready for Medicare Rx?

Effective: January 1, 2006

Effective January 1, 2006, all full-dual Medicare beneficiaries (Medicare beneficiaries who currently receive prescription drug coverage through Medicaid) will be transitioned from Medicaid prescription drug coverage to the new Medicare Rx Prescription Drug coverage (Medicare Rx). We are providing you with information that can help your facility prepare for the implementation of Medicare Rx.

- **Have all your dual eligible residents been enrolled in one of the 16 low-income Medicare Rx Plans?** All full-benefit dually eligible people are being automatically enrolled in a prescription drug plan (PDP) to ensure they do not lose prescription coverage. These beneficiaries received a yellow auto-enrollment notification from CMS in November that told them which Medicare PDP they will be enrolled in if they do not take any action before January 1, 2006. This letter is available at:
<http://www.cms.hhs.gov/States/Downloads/AutoEnrollmentLetter.pdf>.
- **Do you need to verify in which plan your residents have been auto-enrolled?** In addition to using the Web-based Prescription Plan Finder tool at www.Medicare.gov for individual resident inquiries, nursing homes and ICF/MR providers who need Medicare PDP enrollment information for multiple residents can now do so via fax. The instructions for this procedure can be found at:
http://www.txcares.org/medicare/cms_documents/NH_Administrators_fax.pdf.
- **What happens if residents are not auto-enrolled?** If a resident is not enrolled, the facility should assist with enrollment in a low-income PDP. To compare PDPs, go to:
<http://www.txcares.org/medicare/news.html#comparison>. These charts show drug plans with no premiums for full-dual beneficiaries who qualify for the full low-income subsidy. The number of top 100 drugs on the plans' formulary can be used for comparison purposes; beneficiaries or their personal representative will need to determine which plan best meets their needs. For a simplified list of the 16 low-income plans in Texas, visit:
http://www.texasmedicarerx.org/general_info/basiclevel.htm.

- **What will happen if some residents use retail pharmacies and are not auto-enrolled?**
Because it is possible that some individuals may not be auto-enrolled in a Medicare Rx plan, CMS has developed a process for a point-of-sale interaction to ensure full-benefit dual eligible beneficiaries experience no coverage gap. For more information visit:
http://questions.cms.hhs.gov/cgi-bin/cmshhs.cfg/php/enduser/std_adp.php?p_faqid=6248.
- **Is the pharmacy that serves your facility ready to bill Medicare Rx drug plans for full-dual eligibles, as of Jan. 1?** Your pharmacy provider may need to be enrolled in all 16 low-income plans. If a pharmacy is not enrolled in the PDP, it cannot bill that plan for drugs. Residents who use retail pharmacies must use one that is part of their PDP's pharmacy network or risk having to pay higher prices.

More detailed information is available at the DADS website: www.txcares.org/medicare. If you need additional information or have specific questions about Medicare Rx, please contact Frank Genco (512-438-3215), Corky Powell (512-438-3128), Gerardo Cantu (512-438-3693) or Angela Lello (512-438-5892).

Sincerely,

[signature on file]

Veronda L. Durden
Assistant Commissioner
Regulatory Services

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