



STATE OF MARYLAND  
**DHMH**

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Maryland Department of Health and Mental Hygiene  
201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate  
H-107 State House  
State Circle  
Annapolis, MD 21401-1991

The Honorable Michael E. Busch  
Speaker of the House of Delegates  
H-101 State House  
State Circle  
Annapolis, MD 21401-1991

**RE: HB 1467 (Ch. 400 of the Acts of 2006) – Maryland Cares**

Dear President Miller and Speaker Busch:

In accordance with Section 1 of HB 1467 – *Maryland Cares*, we are writing to provide information on the collection of data and federal reimbursement to the State for activities related to the implementation of Part D. The bill requires both the Department of Health and Mental Hygiene and the Maryland Department on Aging to issue an interim report on September 1, 2006 and a final report on June 30, 2007. This report meets the requirements for the interim submission due September 1.

In order to identify health care problems that may have resulted from implementation of the federal Medicare Part D program, HB 1467 requires the Department of Health and Mental Hygiene to collect statewide data on health problems, including emergency room visits and hospitalizations resulting from lapses or changes in medications. DHMH and the Department of Aging are also required to collaborate in the collection of statewide data on the resolution of issues related to the implementation of Part D and problems obtaining needed medications due to formulary and preauthorization restrictions. In addition, the Department of Health and the Department of Aging are directed to apply to the federal Centers for Medicare and Medicaid Services for reimbursement of allowable expenditures under the Medicare Part D Stopgap Program established by HB 1467.

With respect to the collection of statewide data on health problems, certain obstacles prevent the reporting of this information at this time. Diagnosis or treatment codes used for emergency room visits and hospitalizations are not designed to identify the types of problems specified in HB 1467. The only direct way to determine if an emergency room visit or hospitalization was due to a lapse or change in medications is to review each person's medical record. The Department does not have the resources to perform such a review. At this time the Department is attempting to determine how this type of health care problem can be identified through the use of existing billing codes. Also, with health care there is

normally a lag between the date a service is provided and the actual collection of health care data. Since Medicare Part D was only implemented January 1, 2006, the Department is still determining the availability of data on health services rendered since that time. Therefore, as of this date DHMH is still analyzing the health care data requested in subsection (f) of HB 1467.

Preliminary data collected by MDoA on resolution of issues is attached.

In addition to the data collection requirements, HB1467 requires the Department of Aging to assist Medicare beneficiaries (including beneficiaries with disabilities and those who are at least 65 years old) in obtaining Medicare Part D prescription drug benefits. Funds have been distributed to the 19 area agencies on aging (AAAs) for outreach, education and counseling of individuals regarding Medicare Part D. A total of \$2 million was provided in the bill – \$363,250 was expended in FY2006, and \$1,636,750 has been budgeted for FY2007. To date, the following activities have been accomplished:

- Allocated \$263,250 in FY2006 to 19 area agencies on aging to provide counseling and assistance to Medicare beneficiaries. Counseling and assistance encompassed the following activities: (1) assistance in determining eligibility for Medicare Part D; (2) assistance in enrolling in Medicare Part D; (3) a pharmacy benefit checkup, as appropriate; (4) assessment of the need and eligibility for emergency pharmacy access, the federal low-income subsidy, and the Senior Prescription Drug Assistance Program; and (5) assistance with any other problems related to the Medicare Part D benefit. Local AAAs also provided community outreach and education to encourage enrollment in Medicare Part D. Area agencies on aging used their funds to purchase laptop computers, media campaigns in their county, and to hire additional staff to fulfill the tasks cited above.
- Allocated an additional \$1,465,000 to local AAAs for FY 2007. AAAs will spend these funds in the following ways: additional staff, printing of materials, and media to explain the Medicare Prescription Drug Coverage Program and promote the Maryland Senior Health Insurance Assistance Program (SHIP), funds to pay for prescriptions for individuals unable to meet their co-payments/coverage gap assistance, and communication and equipment costs (additional telephone lines and internet capacity). MDoA will also conduct additional statewide outreach in FY 07.
- MDoA has been working with the Maryland Department of Business and Economic Development on an ambitious public relations campaign to promote the local Senior Health Insurance Assistance Programs as the focal point for community outreach, education, client counseling, enrollment assistance, and for promoting awareness of the Medicare Part D program. This public relations campaign will begin in late August and run through November. It will involve newspaper ads in local community newspapers and Pennysavers, bus ads (both at bus stops and interior and exterior bus ads), and the preparation and production of printed material. The timing of this public relations campaign will correlate with the Part D annual open enrollment period that occurs November 15 through December 31, 2006. The campaign will focus on specific geographic areas: Baltimore City, Baltimore County, Montgomery County, and Prince George's Counties. MDoA selected these areas based on targeting by CMS as both high-population areas and "under-enrolled" jurisdictions. \$100,000 of FY 06 funds were used for this purpose.
- MDoA and DHMH are working to update their websites to disseminate information about Medicare Part D, the Senior Prescription Drug Assistance Program, and toll-free numbers for reporting Medicare Part D problems.
- MDoA is in discussion with DHMH and Trailblazers Health Enterprises (a Medicare Part B contractor) as to the best way to provide pharmacies and medical care providers with information on

the local SHIP programs and AAA services and activities. Insertion of materials into mailings and information in agency transmittals and provider newsletters are being discussed.

- MDoA and DHMH have prepared a letter to the CMS Administrator, Dr. Mark McClellan, to request federal reimbursement for \$363, 250 (the funds expended in FY 2006). DHMH will request federal reimbursement for the budgeted FY2007 *Maryland Cares* funds at the conclusion of FY2007 (attached).
- Maryland has been approved to receive compensation from CMS under a 402 Demonstration Waiver for administrative and prescription costs incurred during the initial implementation of the Part D program. This request, which is currently being submitted, is for approximately \$2.5 million drug costs and \$200,000 administrative costs.

Thank you for your consideration of this information. If you have questions or require further clarification of the information included in this report, please contact Jeff Gruel, Director of Pharmacy Programs at DHMH at (410) 767-1455 or Sue Vaeth, Chief of Client and Community Services at the Department of Aging at (410) 767-1108.

Sincerely,

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By: \_\_\_\_\_  
S. Anthony McCann  
Secretary

By: \_\_\_\_\_  
Jean Roesser  
Secretary

cc: Jeff Gruel  
Sue Vaeth