



OLR RESEARCH REPORT

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EFFECT OF 2011 CONNPACE LEGISLATION

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You asked for a brief explanation of the changes 2011 legislation makes to the Connecticut Pharmaceutical Contract to the Elderly and Disabled (ConnPACE) program. You also asked if the Department of Social Services (DSS) will refund the \$45 annual registration fee that those who lose coverage on July 1, 2011 have recently paid.

We will follow this report up with a more detailed explanation of the ConnPACE changes and the different drug assistance options for seniors.

SUMMARY

Currently, low-income Connecticut residents who are at least age 65 or have disabilities and meet the program's income standards qualify for ConnPACE regardless of their eligibility for Medicare. The 2011 Human Services budget implementation act closes the program, effective July 1, 2011, to Medicare-eligible applicants and current participants who qualify for Medicare (PA 11-44, §§ 88-90). But these Medicare- and ConnPACE-eligible individuals also qualify for federal prescription subsidies under the Medicare Part D Low-Income Subsidy (LIS) program. One way to qualify for LIS is to enroll in the Medicare Savings Program (MSP). In 2009, the legislature liberalized the income and asset limits for the MSP, which had the effect of making most ConnPACE recipients eligible for it.

The LIS program offers coverage at least as comprehensive as ConnPACE. And eligibility for the MSP also offers Medicare enrollees help with their Part A and B cost sharing requirements (e.g., by paying deductibles and premiums).

Until this year, enrollment in the MSP was optional for seniors. While many of them took advantage of the program, some chose to remain in ConnPACE. As of July 1, 2011, those who are Medicare-eligible can no longer be enrolled in ConnPACE. They must enroll in the MSP in order to get Medicare Part D “wrap-around” assistance. Additionally, ConnPACE had paid for certain drugs that the Medicare Part D program excludes (benzodiazepenes and barbiturates), but people who are in LIS should be able to find a Part D plan that does cover them, according to DSS.

DSS reports that it is looking at the feasibility of refunding the fees already paid by people whose ConnPACE benefits will stop on July 1.

ELIMINATION OF CONNPACE ELIGIBILITY FOR MEDICARE RECIPIENTS

PAs 09-2 and 09-5

In 2006 when the Medicare Part D prescription assistance program went into effect, the ConnPACE program essentially became a “wrap-around” program for seniors and people with disabilities who were also enrolled in Medicare Part D. (ConnPACE recipients who were not Medicare-eligible continued to get their prescriptions filled and DSS reimbursed the pharmacists directly.) Specifically, for the Medicare-eligible, ConnPACE (1) limited how much beneficiaries have to pay out for Part D premiums and co-payments, (2) offered coverage for drugs that were not part of a Part D plan’s formulary, (3) paid for drugs needed during the Part D coverage gap period or “donut hole,” and (4) paid for drugs not covered under Part D.

The Medicare Part D law also established the LIS program, under which the federal Social Security Administration offers low-income Part D beneficiaries subsidies even more generous than what ConnPACE provides (e.g., its co-pays are lower).

Establishing a pathway to LIS in Connecticut required legislation, which in this case was the MSP, a Medicaid-funded program that offers help with Medicare Part A and B cost sharing and which traditionally was available only to very low-income individuals. In 2009, the legislature passed a law to equalize (i.e., raise) the MSP program’s eligibility limits to match those of ConnPACE, enabling virtually everyone

eligible for ConnPACE to enroll in the MSP and hence LIS. This effectively eliminated the need for state-funded ConnPACE for all but those who did not qualify for Medicare (PAs 09-2 and 09-5).

DSS received federal approval for equalizing the eligibility limits in 2009. Starting in 2010, the department began moving people voluntarily out of ConnPACE and into the MSP. The legislation did not mandate that ConnPACE recipients who were Medicare-eligible enroll in the MSP and drop ConnPACE.

2011 Legislation

While many ConnPACE recipients moved into MSP, not all did. The the governor's FYs 12-13 budget includes savings that assume the elimination of ConnPACE for anyone who is Medicare-eligible. PA 11-44 contains language to implement this change.

PA 11-44 does not eliminate the ConnPACE statute but rather limits its applicability to people who do not qualify for Medicare. For example, individuals under age 65 who have been receiving Social Security Disability Income for less than two years are not Medicare-eligible and thus will continue to receive the ConnPACE benefit.

Excluded Drugs. The act also excludes ConnPACE subsidies for prescription drugs that are not covered by Medicare Part D. According to DSS, this includes benzodiazepenes and barbiturates. DSS reports that some of the Medicare Part D plans (LIS beneficiaries who enroll in benchmark plans get full premium assistance) available to Connecticut residents may cover these drugs or they may be available under a Medicare Advantage plan. Moreover, individuals enrolled in LIS can switch Part D plans at any time if the drugs they need are covered in a different plan and starting in 2013, the federal health care reform legislation requires Part D plans to cover benzodiazepenes and barbiturates used in treating epilepsy, cancer, or chronic mental disorders (§ 2502 of PL 111-148, as amended by PL 111-152).

OTHER RESOURCES

OLR has written a few reports on Medicare Part D and ConnPACE:

Medicare Savings Program and Medicare Part D Drug Assistance, OLR Report [2009-R-0097](#)

ConnPACE—Recent Changes, OLR Report [2009-R-0429](#)

The Center for Medicare Advocacy's website includes [information](#) on the Low-Income Subsidy program, as well as general information about Medicare Part D.

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