



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

**Estelle B. Richman**  
Secretary

MAR 02 2006

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Mark B. McClellan, M.D., Ph.D.  
Administrator  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
7500 Security Boulevard  
Room C5-25-25  
Baltimore, Maryland 21244

Dear Dr. McClellan:

I am writing on behalf of the Pennsylvania Department of Public Welfare and the attached list of provider associations and stakeholders to request that the Centers for Medicare and Medicaid Services (CMS) conduct readiness reviews for all of Pennsylvania's Prescription Drug Plans (PDPs) and Medicare Advantage Special Needs Plans (SNPs), similar to those completed prior to implementation of Part D, before terminating the 90 day transition period. The 90 day transition period has been helpful in easing our dual eligibles into Medicare Part D. However, in light of the ongoing challenges we are experiencing with program implementation, we would like assurances that plans are equipped to handle any issues that may arise after March 31, 2006.

Since several weeks remain until the transition period ends, we have the opportunity to begin planning today and avoid confusion later. Starting today, we request that CMS require all PDPs and SNPs to outreach to providers and clients who have filled non-formulary drugs during this period. These clients require education on the plans' exceptions and appeals processes, as well as an understanding that they have the option to switch plans if their prescriptions become unavailable.

As part of this transition planning, we further request that CMS require the SNPs to outreach to all clients who have received care from an out of network provider during the transition. It is our expectation that CMS will ask the plans to enroll these providers in their networks to ensure continuity of care. In situations where out of network providers will not be enrolled in a plan's network, plans need to demonstrate the capacity to successfully transition patients to network providers before the end of the 90 day transition period. There may be circumstances in which plans may need to offer an extension of the 90 day transition period for patients in need of continued services by an out of network provider. It is important that clients who are currently receiving treatment from non-participating providers are informed about their option to switch plans if there is an alternative plan with which their provider participates. Again, proactive planning and clear communication now will help prevent problems in April 2006.

Mark B. McClellan, M.D., Ph.D.

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As part of the plan readiness reviews, we encourage CMS to ensure that plans have sufficiently staffed their call centers and are prepared to respond to inquiries in a timely manner. To this end, we recommend that call centers are equipped to have a live person answer calls within five minutes and provide a helpful response to the caller within 24 hours, depending on the complexity of the call. In addition, we request confirmation that the plans have sufficient and appropriate staffing available to respond to requests for exceptions to formulary rules and appeals of those exceptions in an appropriate, client-focused manner.

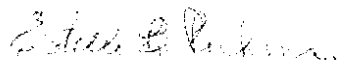
In addition, Pennsylvania is particularly concerned about the capacity of the provider networks in the Special Needs Plans. Over the last several weeks, the State has received numerous calls about dual eligible clients who have been unable to access providers in their area or specialists in the network who are unwilling to bill Medicaid for the Medicare Part B coinsurance and deductible. In addition, there have been many instances in Pennsylvania where clients are being charged co payments for medical services, other than pharmacy, inappropriately. This particular problem may relate to an inadvertent error made by a large plan in Southeastern Pennsylvania, where incorrect co payment amounts were printed on the client insurance cards, creating significant confusion. A careful review of the SNP provider networks and network capacity, taking into account geography and the willingness of providers to participate in Pennsylvania's Medical Assistance Program (MA) and accept MA clients, is critical to the future success of the program.

A final area that requires attention is the claims processing and provider payments for services rendered during the 90 day transition period. Providers have been informed that although all claims for the transition period will be processed as in-network, some plans are requiring that the services be authorized retrospectively in order for claims to be processed. We suggest that CMS review with the plans alternative mechanisms for ensuring that covered services furnished by out of network providers are reimbursed in a timely fashion without the added step of requiring retrospective authorization.

In closing, I request that a meeting involving CMS staff, Department of Public Welfare staff, and our partners in the Part D effort (who are listed on the enclosed document) be scheduled to occur as quickly as possible. The primary purpose of the meeting will be to discuss how CMS plans to address the issues raised in this letter.

Thank you for your ongoing assistance as we manage the transition to this new program on behalf of Pennsylvania's dually eligible clients.

Sincerely,



Estelle B. Richman

Enclosure

cc: Mr. Dennis Smith  
Ms. Nancy O'Connor  
Ms. Susan Cuerdon  
Mr. James Hardy

MAR 02 2006

The following individuals have specifically requested that we notify you that their respective organizations believe that the concerns outlined in the letter from Secretary Estelle Richman need to be addressed immediately. They support Ms. Richman's request to meet with CMS staff to discuss the status of the transition activities. Thank you for your prompt attention to these issues of importance to Pennsylvania's dual eligible population.

Members of the Consumer Subcommittee  
Medical Assistance Advisory Committee

Ronald Barth  
President and CEO  
PANPHA (an association of nonprofit senior services)

Patricia Epple  
Executive Director  
Pennsylvania Pharmacists Association

Henry Fiumelli  
Executive Director  
Pennsylvania Forum for Primary Health Care

Vicki Hoak  
Executive Director  
Pennsylvania Homecare Association

George Kimes  
Executive Director  
Pennsylvania Community Providers Association

Crystal Lowe  
Executive Director  
Pennsylvania Association of Area Agencies on Aging

Roger Mecum  
Executive Vice President  
Pennsylvania Medical Society

Carolyn Scanlan  
President and CEO  
Hospital & Healthsystem Association of Pennsylvania

Anne Wantz  
Interim CEO  
Pennsylvania Health Care Association

Andrew Wigglesworth  
President  
Delaware Valley Healthcare Council

Michael Wilt  
Executive Director  
Pennsylvania Association of County Affiliated Homes