

# ConnPACE

Celebrating

# 20

Years

Serving Connecticut's Seniors and Disabled



November 15, 2006

The Honorable M. Jodi Rell  
Governor  
State of Connecticut  
State Capitol  
210 Capitol Avenue  
Hartford, CT 06106

Dear Governor Rell:

As required under Connecticut General Statutes, Section 17b-495(d), I am submitting the Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled Program (ConnPACE) Semi-Annual Report for the period of January 1, 2006 through June 30, 2006. Also included are the SFY 2006 Annual Summaries.

This report marks the 20<sup>th</sup> anniversary of ConnPACE. On April 1, 1986, through a pilot program, ConnPACE began providing prescription drug benefits to the elderly and a year later offered the same assistance for individuals with disabilities. Throughout the years, a number of enhancements have made ConnPACE a national leader among states that offer a prescription assistance program. We are proud that the ConnPACE program assists seniors and individuals with disabilities in accessing their medications, which improves their overall quality of life.

In addition to this significant milestone, these past six months have encompassed the most significant changes to the Medicare program since its inception with the implementation of prescription drug benefits for the Medicare population. As you will see throughout the report, the Department engaged in numerous activities in educating and assisting our clients with the new Medicare Prescription Drug Benefit.

If you have any questions regarding the report, please do not hesitate to contact me.

Sincerely,

Patricia A. Wilson-Coker, JD, MSW  
Commissioner

cc: Senator Christopher S. Murphy  
Senator Gayle Slossberg  
Representative Peggy Sayers  
Representative Melissa Olson

PWC: asha

Connecticut Pharmaceutical Assistance Contract  
to the  
Elderly and the Disabled Program

**ConnPACE**  
**SEMI-ANNUAL REPORT**  
**and**  
**ANNUAL REPORT**  
**to**  
**THE GOVERNOR**

January 1, 2006 – June 30, 2006

State Fiscal Year 2006

Department of Social Services  
Medical Care Administration  
Medical Operations  
25 Sigourney Street  
Hartford, CT 06106

**CONNECTICUT PHARMACEUTICAL ASSISTANCE CONTRACT  
TO THE  
ELDERLY AND THE DISABLED**

**For the Connecticut Department of Social Services**

Commissioner	Patricia A. Wilson-Coker, JD, MSW
Deputy Commissioner – Administration	Michael P. Starkowski
Director, Medical Care Administration	David S. Parrella
Director, Medical Operations	Marcia L. Mains
Manager, Pharmacy Programs	Evelyn A. Dudley
Public Assistance Consultant, Pharmacy Programs	Brian G. Sexton
Health Program Associate, Pharmacy Programs	Africka S. Hinds-Ayala
Pharmacy Consultant, Pharmacy Programs	James R. Zakszewski, RPh
Pharmacy Consultant, Pharmacy Programs	Emily C. Piddock, RPh
Processing Technician, Pharmacy Programs	Joyce G. Allen

State of Connecticut  
Department of Social Services  
Pharmacy Programs  
25 Sigourney Street  
Hartford, CT 06106  
(860) 424-5150

November 2006

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## **EXECUTIVE SUMMARY**

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*During the first six months of 2006, the Department was focused on providing assistance to our ConnPACE clients in the transition into the Medicare Part D Prescription Program.*

*Through a Department wide collaborative effort, the first priority was to focus on providing outreach, education, and/or program coordination for beneficiaries and community agencies. This initiative encompassed a wide array of activities including:*

- ❖ Participation in the Medicare Modernization Act Workgroup consisting of thirty-five partnering agencies to coordinate efforts and strategize activities for implementation;*
- ❖ Held “live” Medicare Part D “Town Hall Meeting” on Connecticut Public Television (CPTV) with physicians, pharmacists and representatives from both the Centers for Medicare & Medicaid Services (CMS) and the Department;*
- ❖ Implemented an advertising campaign with CPTV, radio station WNPR and Connecticut Magazine;*
- ❖ Produced a Medicare Part D informative DVD for distribution to senior centers, cable public access stations and the five Area Agencies on Aging;*
- ❖ Obtained, via federal grant, the Medicare Part D Eligibility/ Enrollment bus staffed by CHOICES counselors, pharmacists and DSS staff and traveled throughout Connecticut assisting all residents with understanding Part D as well as other DSS programs.*

*The second priority was to assist our ConnPACE clients with the selection of the most appropriate Medicare Part D Prescription Plan to meet their individual prescription needs. The Department accomplished this by utilizing a number of different avenues:*

- ❖ First, the Department identified which clients could potentially be eligible for the low-income subsidy. Letters were sent to the identified population on how to apply to the Social Security Administration.*
- ❖ The Department’s fiscal agent, Electronic Data Systems (EDS), secured additional resources to handle the increased call volume from clients requesting assistance.*
- ❖ In addition, the Department’s pharmacy staff collaborated with the University of Connecticut School of Pharmacy and the Connecticut Pharmacists Association to review the drug regimens of each ConnPACE client in order to facilitate their enrollment into the most appropriate prescription drug plan.*
- ❖ ConnPACE clients were then notified of three potential PDP choices to select from and responses were forwarded to EDS who, in turn, worked with the PDP’s to initiate the auto enrollment process.*

*The third priority was to ensure that ConnPACE clients continued to receive their medications once the Medicare Part D Plan was implemented. Start-up of the Part D benefit encountered numerous problems that resulted in clients being unable to obtain their needed medications. Thanks to the quick action of Governor Rell, the Department was authorized to allow pharmacists to bill ConnPACE and receive payment when Part D Plan's technical difficulties resulted in clients not being able to obtain their medications. This allowed ConnPACE clients to continue to receive their medications without interruption.*

*The collaborative efforts of all involved proved to be extremely successful. Particular recognition and thanks goes to DSS Deputy Commissioner Michael Starkowski, Pharmacy Program Manager Evelyn Dudley, Public Assistance Consultant Brian Sexton, Health Program Associate Africka Hinds-Ayala, DSS Pharmacists Emily Piddock, Jim Zakszewski, Herman Kranc, and Sheila Dorval, CHOICES Staff, the EDS Systems Team, ConnPACE Communications Unit and the Connecticut pharmacists. I am very proud of the monumental tasks that were accomplished in assisting not only our ConnPACE clients but also offering our services to the elderly population through out the state of Connecticut.*

**Commissioner Patricia A. Wilson-Coker, JD, MSW**

**STATE FISCAL YEAR 2006  
SEMI-ANNUAL BENEFITS**

*(JANUARY 1, 2006 – JUNE 30, 2006)*

ConnPACE paid for 438,837 prescriptions and expended \$41,816,261 on these prescriptions for an average of 47,479 program enrollees who received benefits from the ConnPACE program.

**46% of paid prescriptions were for generic drugs.**

**STATE FISCAL YEAR 2006 BENEFITS**

*(JULY 1, 2005 – JUNE 30, 2006)*

During the State Fiscal Year 2006, the ConnPACE program paid for 995,943 prescriptions and expended \$95,951,969 on these prescriptions for an annual average of 48,258 program enrollees. The number of prescriptions and the corresponding expenditures increased less than 1% and 2%, respectively, from State Fiscal Year 2005. End of state fiscal year program enrollment was 45,838, a 7% decrease over the figure at the end of the previous fiscal year. The minimal increase in prescription volume and expenditures, as well as the decrease in enrollment are the result of the Medicare Part D implementation.

# INTRODUCTION

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## PROGRAM DEFINITION

The Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled Program (ConnPACE) is a state-funded program that assists in providing prescription drug benefits to Connecticut's senior and disabled citizens.

To participate in ConnPACE, a person submits an application with a registration fee, proof of age, state residency, income, disability (if any), and insurance (if any). Participants must apply annually for re-determination of eligibility. Eligibility for participation in the program is determined in accordance with the guidelines specified below. Once determined eligible, the participant is issued a ConnPACE benefits card. To receive program benefits, the cardholder presents the card with a co-payment to the dispensing provider to receive a prescription. The dispensing provider confirms eligibility through an on-line data system, collects the co-payment, and dispenses the medication, billing ConnPACE for the balance due.

## PROGRAM GUIDELINES AS OF JUNE 30, 2006

ELIGIBILITY: To be eligible for ConnPACE, an applicant must:

- be a resident of Connecticut for six months prior to applying;
- be 65 years of age or older or;
- be between the ages of 18 and 64 and receiving disability benefits under the Social Security Disability Program (Title II) or the Supplemental Security Income Program (Title XVI);
- have an annual adjusted gross income of less than \$22,300 if single, or combined income of less than \$30,100 if married<sup>1</sup>;
- not be enrolled in Medicaid, have prescription drug coverage that pays a portion or all of each prescription purchased, or have prescription drug coverage after a deductible has been met;
- be enrolled in a Medicare Prescription Drug Plan (PDP), if the applicant has Medicare Part A and/or B<sup>2</sup>;
- apply for the Social Security's Extra Help with Medicare Prescription Drug Plan Costs, if a participant's annual income is less than or equal to \$14,700 and assets less than \$11,500 for a single person OR annual income is less than or equal to \$19,800 and assets less than \$23,000 for a married couple.<sup>3</sup>

REGISTRATION FEE: An annual registration fee of \$30.00 is required.

DISPENSING LIMITATIONS: ConnPACE allows a 30-day supply or 120 units, whichever is greater, to be dispensed up to the prescribed amount. With the new Medicare Part D, dispensing quantities are at the discretion of the primary payer and Prescription Drug Plans (PDPs) can allow for a 30-day or 90-day supply dependent upon an executed contract between the Medicare Part D PDP and the dispensing pharmacy.

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<sup>1</sup> Income limits increased January 1, 2006, to reflect Social Security Cost of Living Adjustment (COLA) of 4.1%.

<sup>2</sup> Public Acts 05-280 and 05-3 individuals may be auto-enrolled in Medicare Part D PDP by DSS Commissioner, if eligible, but do not enroll within a reasonable time. Effective July 1, 2005.

<sup>3</sup> Public Acts 05-280 and 05-3 mandated low-income and asset ConnPACE participants to apply for Social Security Administration's Low-Income Subsidy for Extra Help with Medicare Prescription Drug Costs as a condition of eligibility for ConnPACE; and allows the DSS Commissioner to apply on behalf of these participants.

**DRUGS COVERED:** ConnPACE covers all drugs that require a prescription in the State of Connecticut, plus insulin and insulin syringes, with the following exceptions:

- drugs prescribed for cosmetic purposes
- experimental drugs
- drugs that the Federal Food and Drug Administration has determined not to be effective
- antihistamines
- contraceptives
- cough preparations
- anti-obesity drugs
- multivitamin combinations
- smoking cessation gum
- vaccines obtained free of charge from the Department of Health Services
- prescription drugs in excess of manufacturer's recommendations without documented medical justification
- drugs for Lock-In clients from other than lock-in pharmacy
- over-the-counter drugs (with certain exceptions)

Other drugs may not be covered if pharmaceutical manufacturers opt not to participate in the Drug Rebate Program.

**PRIOR AUTHORIZATION:** Prior authorization is currently required for a brand name drug that has at least two (2) Food and Drug Administration (FDA) approved A-rated generic equivalents available; and for an early refill prescription when less than 75% of the current medication is remaining.

**CO-PAYMENT:** The ConnPACE participant pays the required co-payment for each prescription, and the program reimburses the pharmacy for the rest of the cost based on a specified formula. If the cost of the prescription is less than the co-pay amount, the enrollee pays the full cost of the prescription. The ConnPACE co-payment is \$16.25 per prescription.

Under the Public Acts 05-280 and 05-3, as a condition of eligibility for participation in the ConnPACE program, a ConnPACE client who is Medicare Part A or Part B eligible, must be enrolled in a Medicare Part D Prescription Drug Plan (PDP). Also, ConnPACE clients with an annual income less than or equal to \$14,700 and assets less than \$11,500 for a single person OR annual income less than or equal to \$19,800 and assets less than \$23,000 for a married couple must apply for SSA's Low-Income Subsidy Extra Help, in order to reduce prescription co-pays to \$2.00 for generic and \$5.00 for brand name. In situations where the client's Medicare Part D out-of-pocket copayment, coinsurance, or deductible requirements exceed the ConnPACE copayment of \$16.25, ConnPACE will pay the pharmacy any costs above the ConnPACE copayment.

**MEDICARE PART D PREMIUMS:** A condition of ConnPACE enrollment is that individuals eligible for Medicare Part A and/or Part B must enroll in a Medicare Part D Prescription Drug Plan. ConnPACE will pay the monthly Medicare Part D premiums for these individuals.

**STATUTORY AND REGULATORY REFERENCES:** 17b-490 et seq. of the Connecticut General Statutes, and 17a-345-1 through 17a-345-111 of the Regulations of Connecticut State Agencies.

# PROGRAM BUDGET & EXPENDITURES

## BUDGET

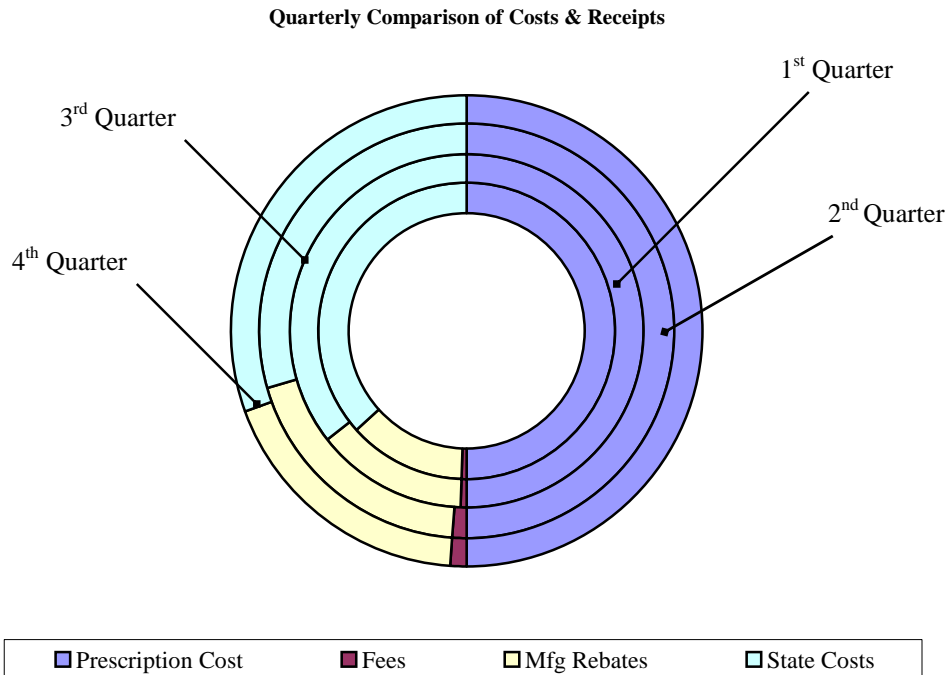
The budget appropriated to ConnPACE for State Fiscal Year (SFY) 2006 was \$76,550,246. The application fees and manufacturer rebate dollars collected are applied to the expenditures of the program.

## YEAR TO DATE COST BY QUARTER

The following chart provides program expenditures, fees, and rebates received by quarter of State Fiscal Year 2006.

	PROGRAM COST	PROGRAM RECEIPTS		
SFY 2006	Prescription Cost	Participant Fees Received	Manufacturer Rebates Received	Total State Expenditures
1 <sup>st</sup>	\$27,448,340	\$298,630	\$6,983,713	\$20,165,997
2 <sup>nd</sup>	\$26,687,369	\$284,812	\$7,372,953	\$19,029,604
3 <sup>rd</sup>	\$23,882,385	\$543,789	\$9,216,693	\$14,121,903
4 <sup>th</sup>	\$17,933,875	\$369,426	\$6,602,026	\$10,962,423
<b>Total</b>	<b>\$95,951,969</b>	<b>\$1,496,657</b>	<b>\$30,175,385</b>	<b>*\$64,279,927</b>

\* Total State Expenditures represent the program's costs reduced by the participant fees and the manufacturer rebates received.



NOTE: Medicare Part D monthly premiums were not paid out during this period, but are estimated to be approximately \$2 million.

## **COST BY FISCAL YEAR**

Expenditures for the last ten State Fiscal Years are shown below.

<b>STATE FISCAL YEAR</b>	<b>PROGRAM COST</b>		<b>PROGRAM RECEIPTS</b>		<b>TOTAL STATE EXPENDITURE</b>
	Fiscal Intermediary Services***	Prescription Cost	Participant Fees Received*	Manufacturer Rebates Received**	
1997	\$ 442,737	\$28,555,515	\$ 893,661	\$ 7,579,573	\$27,691,481
1998	\$2,276,040	\$29,032,031	\$ 758,225	\$ 7,720,576	\$30,325,600
1999	\$1,188,079	\$32,714,229	\$ 729,234	\$ 8,068,947	\$33,031,372
2000	\$1,198,650	\$39,417,855	\$ 756,607	\$ 6,744,731	\$39,500,351
2001	\$1,494,724	\$49,133,889	\$ 908,730	\$11,944,899	\$37,861,577
2002	n/a	\$62,836,089	\$1,302,249	\$14,566,394	\$44,395,923
2003	n/a	\$88,950,025	\$1,506,406	\$18,249,337	\$69,194,282
2004	n/a	\$99,279,079	\$1,597,666	\$22,409,851	\$75,271,562
2005	n/a	\$94,095,619	\$1,569,360	****\$32,009,150	*****\$60,517,109
<b>2006</b>	<b>n/a</b>	<b>\$95,951,969</b>	<b>\$1,496,657</b>	<b>\$30,175,385</b>	<b>\$64,279,927</b>

\* April 1, 2003, annual fee increased from \$25.00 to \$30.00.

\*\* Manufacturer rebates applied to program costs beginning in 2001.

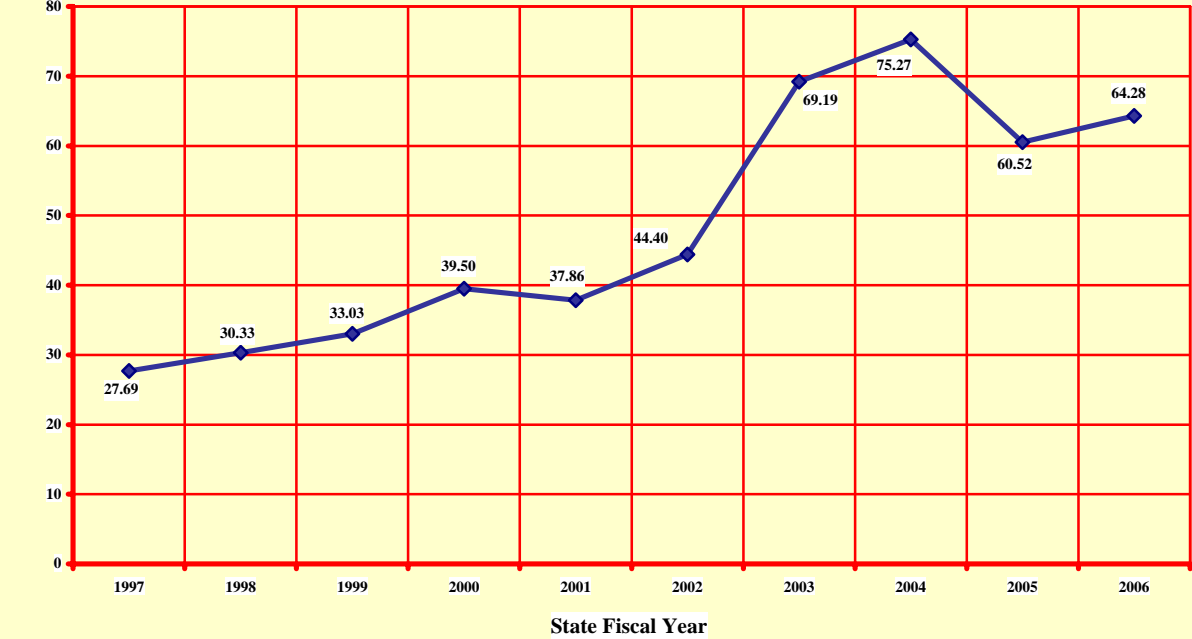
\*\*\* Beginning in Fiscal Year 2002, Fiscal Intermediary Services costs were no longer applied directly to the ConnPACE account.

\*\*\*\* Rebates increased due to outstanding/uncollected rebate dollars being withheld by manufacturers from the ConnPACE Program due to State Pharmaceutical Assistance Program certification by Centers for Medicare and Medicaid Services.

\*\*\*\*\* Medicare Approved Drug Discount Card with the \$600 Transitional Assistance benefit per eligible client coupled with the increased rebate payments reduced the total state expenditure for SFY 2005.

### Expenditures by State Fiscal Year

\$ Millions



## **ENROLLMENT**

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### **APPLICATIONS**

During the semi-annual reporting period of January 1, 2006 to June 30, 2006, the Department of Social Services received 4,103 applications. During the annual reporting period of July 1, 2005 to June 30, 2006, the Department received 7,335 applications.

### **ENROLLEES**

The number of people enrolled in the program for the last ten years is presented below.

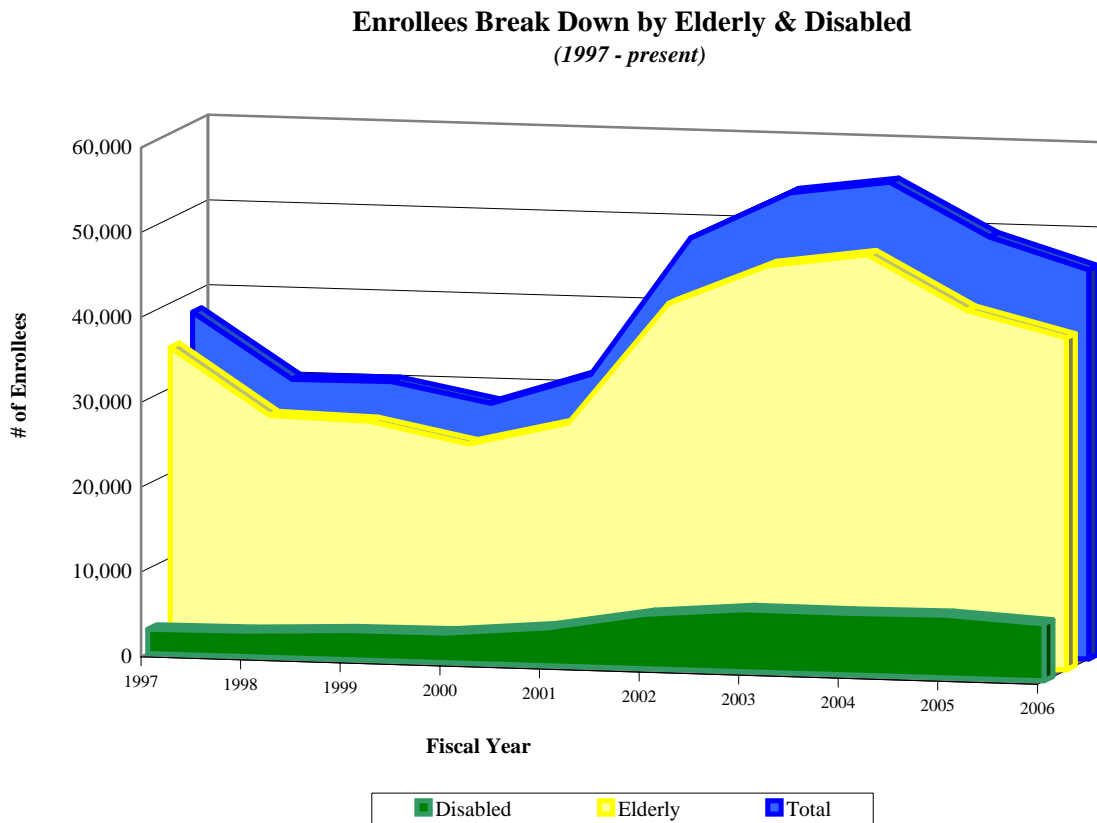
<b>FISCAL YEAR</b>	<b>GAIN/(LOSS)</b>	<b>ENROLLMENT COUNT*</b>
1997	(4,301)	37,676
1998	(6,255)	31,421
1999	(2,885)	28,536
2000	2,010	30,546
2001	3,304	33,850
2002	13,145	46,995
2003	3,910	50,905
2004	(2,709)	48,196
2005	1,144	49,340
<b>2006</b>	<b>(3,502)</b>	<b>*45,838</b>

\* The number of enrollees count is as of June 30, 2006.

## PERSONS WITH DISABILITIES

Persons with Disabilities represented approximately 15% of the total enrollment. Disabled enrollees totaled 6,712 at the end of June 2006.

ConnPACE benefits are available to persons between the ages of 18 and 64 if they receive disability benefits under the Social Security Disability Program (Title II) or the Supplemental Security Income Program (Title XVI).



## CLIENT DEMOGRAPHICS

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### INCOME DISTRIBUTION

The following table displays the unduplicated count of enrollees for each of the different income levels from January 1, 2006 to June 30, 2006. The table includes percentages representative of each group in relation to the total.

Income Levels		Number of Enrollees	Percent of Total Enrollees
From	To		
Under	\$3,000	322	1%
\$3,001	\$6,000	846	2%
\$6,001	\$9,000	4,024	8%
\$9,001	\$12,000	11,647	22%
\$12,001	\$15,000	12,504	24%
\$15,001	\$18,000	9,062	17%
\$18,001	\$21,000	6,521	12%
\$21,001	\$24,000	3,347	6%
\$24,001	\$27,000	2,454	5%
\$27,001	\$27,500	312	1%
\$27,501	\$30,100	889	2%
<b>Total</b>		<b>*51,928</b>	<b>100%</b>

\* Total unduplicated count of eligible enrollees during the reporting time.

### AGE DISTRIBUTION

The following table displays the unduplicated count of enrollees for six age levels for the period of January 1, 2006 to June 30, 2006.

Age Levels		Number of Enrollees	Percent of Total Enrollees
From	To		
18	64 (Disabled)	7,716	15%
65	69	4,829	9%
70	74	6,998	13%
75	79	9,199	18%
80	84	10,297	20%
85+		12,889	25%
<b>Total</b>		<b>*51,928</b>	<b>100%</b>

\* Total unduplicated count of eligible enrollees during the reporting time period.

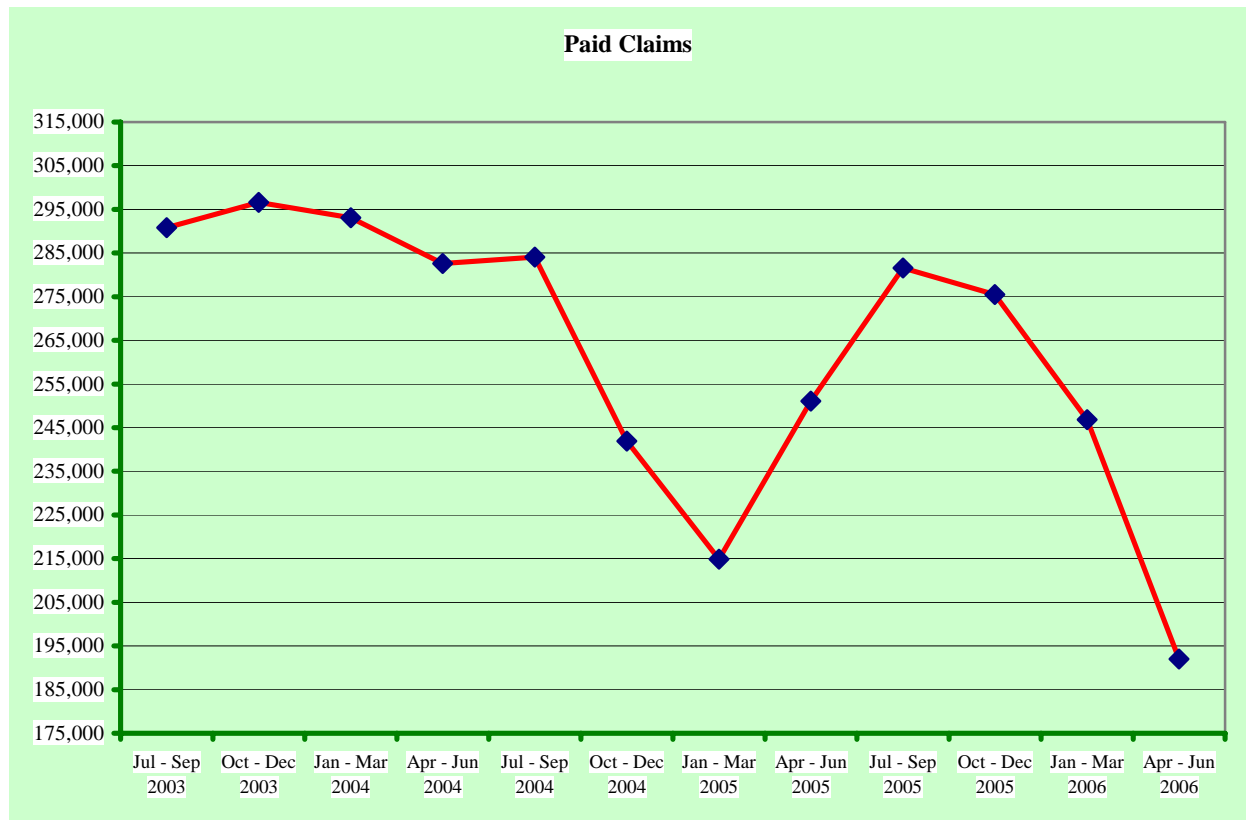
## DRUG COST & UTILIZATION DATA

### COST & QUANTITY BY QUARTER

During SFY 2006, the ConnPACE program spent \$95,951,969 on 995,943 claims.

QUARTER	PAID CLAIMS	AMOUNT*	AVERAGE COST PER PAID CLAIM
July - September 2005	281,591	\$27,448,340	\$102.31
October - December 2005	275,514	\$26,687,369	\$101.57
January - March 2006	246,845	\$23,882,385	\$102.10
April - June 2006	191,993	\$17,933,875	\$99.06
<b>TOTAL</b>	<b>995,943</b>	<b>\$95,951,969</b>	<b>\$101.26</b>

\* Represents gross amount expended on claims, before adjustments

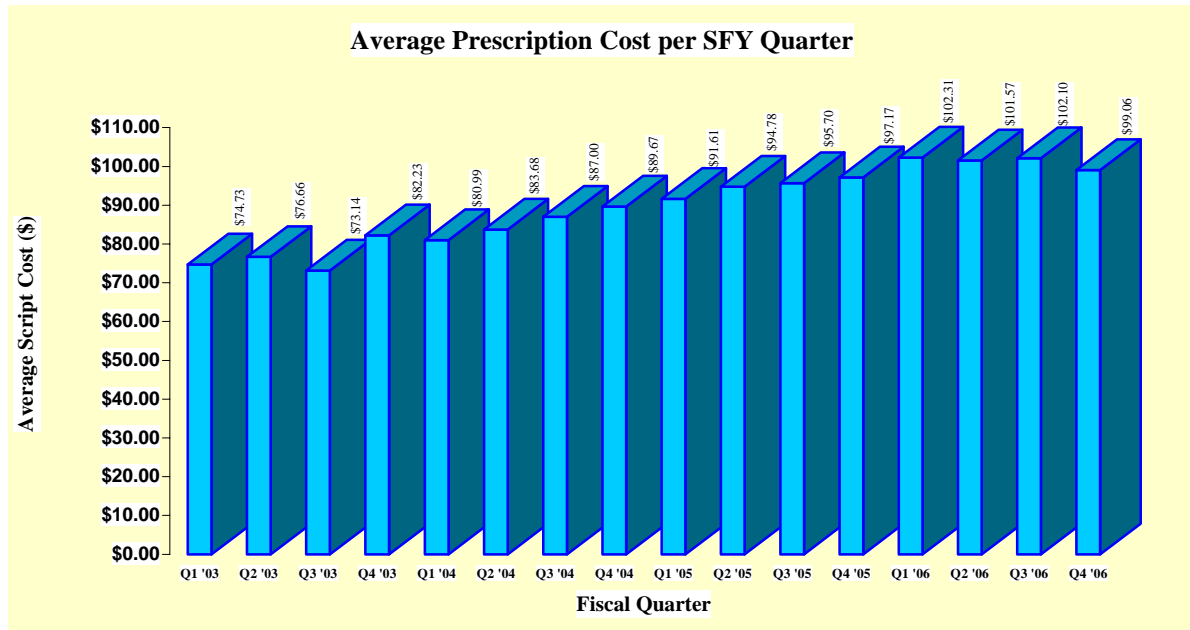


NOTE: Lower number of paid claims in fourth quarter of 2004 and first and second quarter of 2005 indicate clients utilized the Medicare Drug Discount Card.

NOTE: ConnPACE paid claims in third and fourth quarter of 2006 dropped due to the implementation of Medicare Part D.

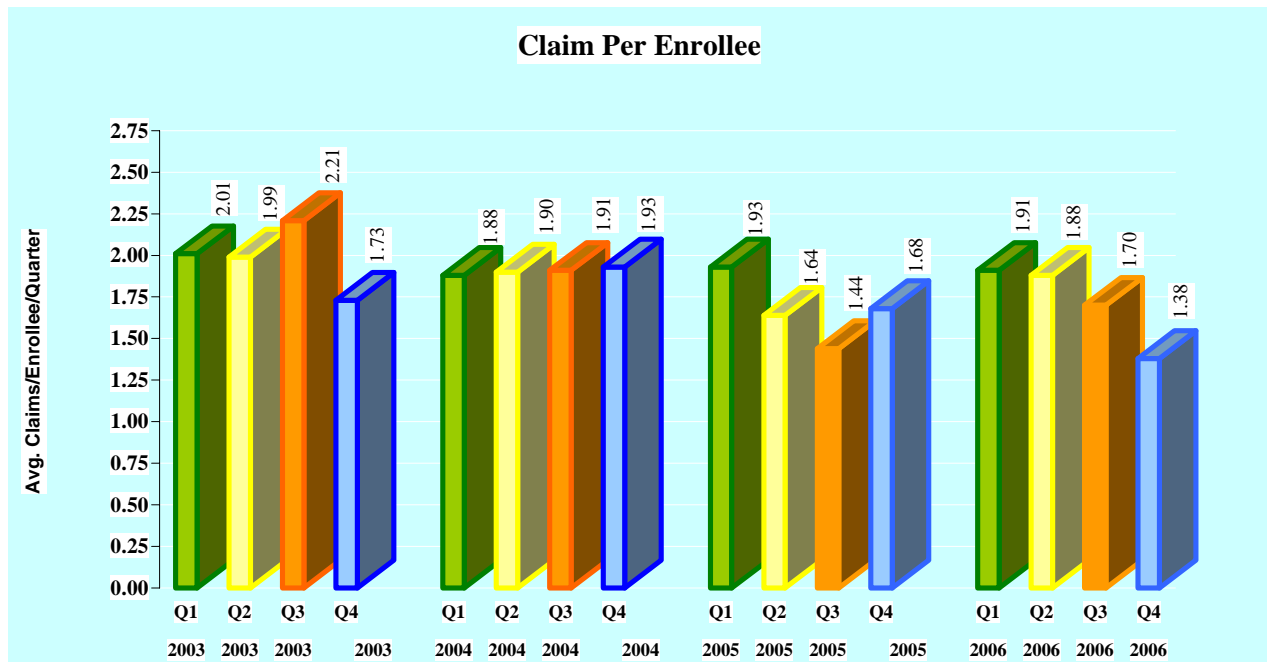
## AVERAGE CLAIMS COST

The average cost per paid claim to the State for the semi-annual period of January 1, 2006 to June 30, 2006 was \$100.58. The following graph displays the average cost per prescription by quarter from State Fiscal Years 2003 through 2006.

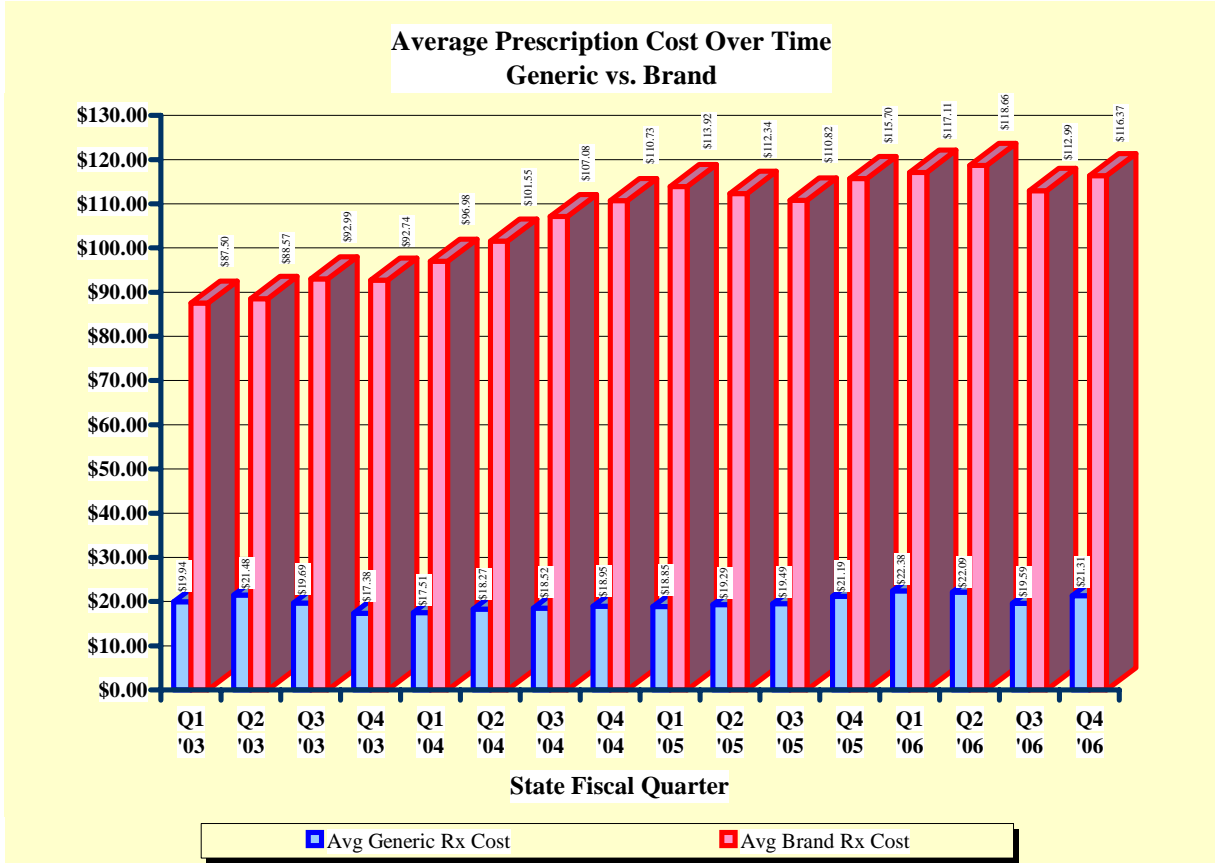


## CLAIMS PER ENROLLEE

The average number of claims processed and paid per month per enrollee for the period of January 1, 2006 to June 30, 2006 was 1.54. The following graph displays quarterly, the average number of claims per month per enrollee for State Fiscal Years 2003 through 2006.



During the semi-annual period of January 1, 2006 to June 30, 2006, there were 703,402 claims submitted to ConnPACE for payment. ConnPACE paid on 438,837 of these claims and the remaining claims were less than the ConnPACE copayment requirement of \$16.25. Of the claims during this period, 326,686 (46%) were generic. The SFY 2006 average cost for a **generic** prescription was **\$21.34**, and for a **brand** prescription was **\$116.28**.

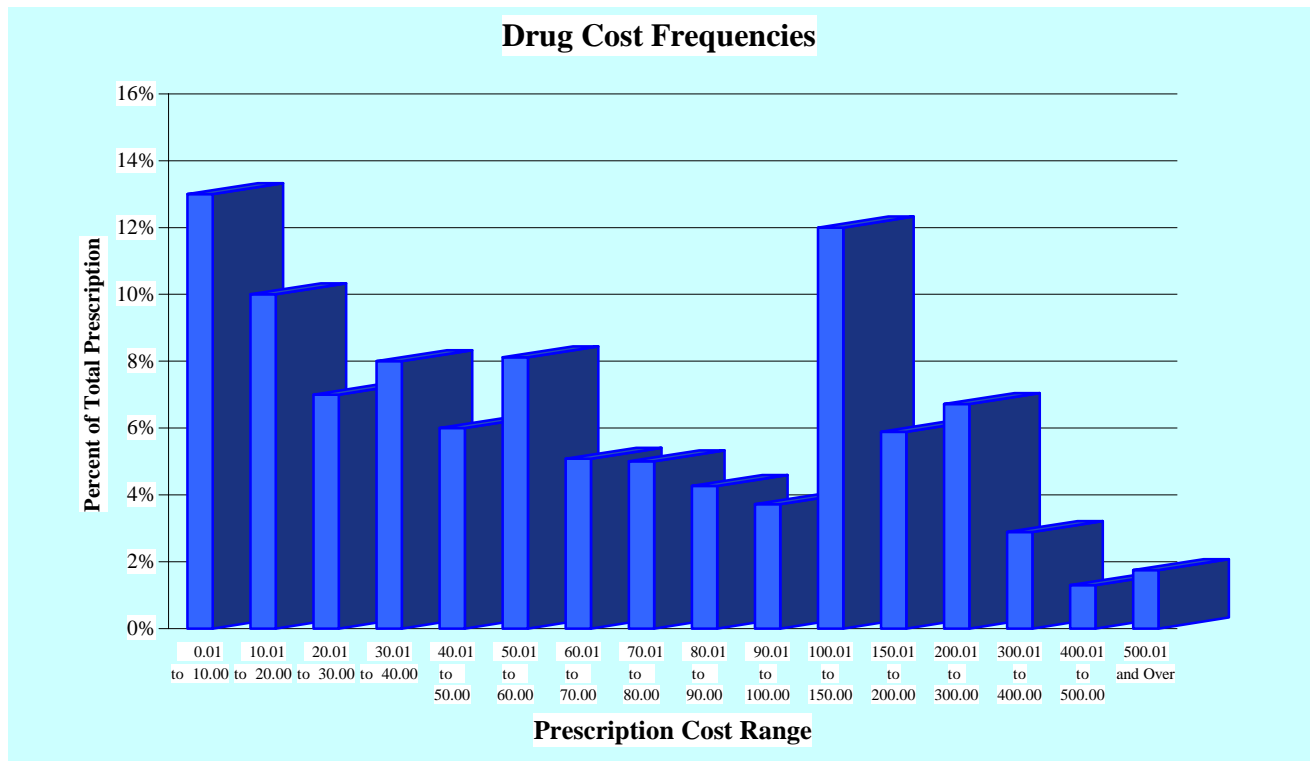


**Note:** Dispensing fee decreased to \$3.15 effective July 1, 2004 (see page 23)

## DRUG COST FREQUENCY DISTRIBUTION

The table below shows the drug cost frequency distribution by State cost per prescription for the semi-annual period of January 1, 2006 to June 30, 2006 for State Fiscal Year 2006.

Prescription Cost Ranges	No. of Prescription	% of Prescription	Amount Paid	% Amount Paid
\$0.01 to \$10.00	64,898	13%	\$331,575	1%
\$10.01 to \$20.00	52,674	10%	\$746,226	1%
\$20.01 to \$30.00	36,764	7%	\$929,094	2%
\$30.01 to \$40.00	39,904	8%	\$1,398,834	3%
\$40.01 to \$50.00	30,819	6%	\$1,377,209	3%
\$50.01 to \$60.00	40,823	8%	\$2,251,558	4%
\$60.01 to \$70.00	26,289	5%	\$1,692,405	3%
\$70.01 to \$80.00	24,434	5%	\$1,839,498	3%
\$80.01 to \$90.00	22,590	4%	\$1,921,967	4%
\$90.01 to \$100.00	18,418	4%	\$1,729,411	3%
\$100.01 to \$150.00	63,160	12%	\$7,740,505	15%
\$150.01 to \$200.00	31,321	6%	\$5,556,158	10%
\$200.01 to \$300.00	34,349	7%	\$8,430,648	16%
\$300.01 to \$400.00	16,253	3%	\$5,658,804	11%
\$400.01 to \$500.00	6,929	1%	\$3,038,982	6%
\$500.01 and Over	9,212	2%	\$8,582,154	16%
<b>Totals</b>	<b>518,837</b>	<b>100%</b>	<b>\$53,225,028</b>	<b>100%</b>



## TOP TEN DRUGS BY AMOUNT PAID

Rank	Drug Name	Total Amount Paid	Number of Prescriptions	Average Amount Paid	Use
1	Plavix 75mg	\$1,632,267	9,409	\$173.48	Anticoagulant
2	Prevacid 30mg	\$1,469,321	7,644	\$192.22	Gastrointestinal
3	Nexium 40mg	\$1,289,767	6,903	\$186.84	Gastrointestinal
4	Lipitor 10mg	\$1,244,879	12,704	\$97.99	Anticholesterol
5	Lipitor 20mg	\$1,244,290	8,611	\$144.50	Anticholesterol
6	Protonix 40mg	\$995,403	7,274	\$136.84	Gastrointestinal
7	Fosamax 70mg	\$747,388	7,914	\$94.44	Bone Growth
8	Zocor 20mg	\$620,697	3,433	\$180.80	Anticholesterol
9	Lipitor 40mg	\$604,464	4,268	\$141.63	Anticholesterol
10	Norvasc 10mg	\$590,711	7,115	\$83.02	Cardiac
	<b>TOTAL</b>	<b>\$10,439,187</b>	<b>75,275</b>	<b>\$138.68</b>	

The top ten drugs by amount paid are shown in the table above for the period of January 1, 2006 to June 30, 2006. The amount paid for the above ten drugs was approximately 21% of the total amount paid for all drugs dispensed during this semi-annual period.

For these top ten drugs, from the previous semi-annual period:

- the total amount paid decreased from \$10,698,154 to \$10,439,187.
- the total number of prescriptions decreased from 75,784 to 75,275.
- the average cost per prescription decreased from \$145.63 to \$138.68.

## TOP 30 DRUGS BY NUMBER OF PRESCRIPTIONS

Rank	Drug	# of Rx	Amount Paid	Average Amount Paid	Use
1	Lipitor 10mg	12,704	\$1,244,879	\$97.99	Anticholesterol
2	Plavix 75mg	9,409	\$1,632,267	\$173.48	Anticoagulant
3	Lipitor 20mg	8,611	\$1,244,290	\$144.50	Anticholesterol
4	Norvasc 5mg	8,320	\$494,127	\$59.39	Cardiac
5	Fosamax 70mg	7,914	\$747,388	\$94.44	Bone Growth
6	Prevacid 30mg	7,644	\$1,469,321	\$192.22	Gastrointestinal
7	Protonix 40mg	7,274	\$995,403	\$136.84	Gastrointestinal
8	Norvasc 10mg	7,115	\$590,711	\$83.02	Cardiac
9	Nexium 40mg	6,903	\$1,289,767	\$186.84	Gastrointestinal
10	Toprol XL 50mg	5,890	\$183,298	\$31.12	Cardiac
11	Zetia 10mg	5,023	\$573,634	\$114.20	Anticholesterol
12	Ambien 10mg	4,980	\$461,711	\$92.71	Insomnia
13	Xalatan 0.005%	4,549	\$208,052	\$45.74	Glaucoma
14	Actonel 35mg	4,438	\$425,797	\$95.94	Osteoporosis
15	Toprol XL 100mg	4,341	\$219,013	\$50.45	Cardiac
16	Lipitor 40mg	4,268	\$604,464	\$141.63	Anticholesterol
17	Lexapro 10mg	4,148	\$314,489	\$75.82	Antidepressant
18	Advair Diskus 250-50mc	3,529	\$544,686	\$154.35	Bronchodilator
19	Zocor 20mg	3,433	\$620,697	\$180.80	Anticholesterol
20	Toprol XL 25mg	3,351	\$88,297	\$26.35	Cardiac
21	Combivent 103-18MC	3,184	\$250,473	\$78.67	Bronchodilator
22	Spiriva 18mcg	3,151	\$371,911	\$118.03	Bronchodilator
23	Lantus 100µ/ml	3,103	\$315,113	\$101.55	Antidiabetic
24	Flomax 0.4mg	3,082	\$295,413	\$95.85	Prostate Treatment
25	Aricept 10mg	3,056	\$512,639	\$167.75	Alzheimer's Disease
26	Celebrex 200mg	3,010	\$339,496	\$112.79	Arthritis, NSAID
27	Zocor 40mg	2,935	\$548,296	\$186.81	Anticholesterol
28	Aciphex 20mg	2,812	\$535,806	\$190.54	Gastrointestinal
29	Cosopt 0.5 – 2%	2,724	\$173,553	\$63.71	Glaucoma
30	Zoloft 50mg	2,696	\$271,429	\$100.68	Antidepressant
<b>TOTAL</b>		<b>153,597</b>	<b>\$17,566,420</b>	<b>\$114.37</b>	

**Note:** The above thirty (30) drugs represent approximately 35% of all the drugs dispensed during this semi-annual period. The average paid amount for the top thirty drugs decreased from the previous semi-annual period \$117.19 to \$114.37. The number of prescriptions decreased from 154,599 to 153,597.

# MANUFACTURER REBATE PROGRAM

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## BACKGROUND

Pharmaceutical manufacturers are required to participate in the Manufacturer Rebate Program in order to have their pharmaceutical products covered by ConnPACE. The rebate is equivalent to the rebate supplied under Section 1927 of Title XIX of the Social Security Act.

## REBATE AMOUNT

The amount of the rebate is the sum of the Basic Rebate Amounts of each drug product (computed for each dosage form and strength of each prescription drug) calculated by the manufacturer and supplied to the Centers for Medicare and Medicaid Services (CMS) and applied as follows:

- 1) Multiply the total number of units paid under ConnPACE for the program participants during the quarter by
- 2) Basic Rebate Amount for the drug, plus when applicable
- 3) The Additional Rebate (equal to the rebate amount calculated for Medicaid according to Section 1927 (C)(2) of the Social Security Act).

The rebate must be paid quarterly and be based on quarterly utilization information sent by the Department to participating drug manufacturers.

## PARTICIPATION

As of June 30, 2006, a total of 324 manufacturers were participating in the Rebate Program.

The only drugs that continued to be covered without a Rebate Agreement with the manufacturers are:

- Dapsone (prescribed for the treatment of Leprosy)
- Mestinon (prescribed for the treatment of Myasthenia Gravis)
- Benoquin (prescribed for the treatment of malignant moles and tumors)
- Urso (prescribed for the treatment of gallstone dissolution)
- Canasa Suppositories (prescribed for the treatment of chronic inflammatory bowel disease)
- Colazal (prescribed for the treatment of mildly to moderately active ulcerative colitis)

*These drugs were selected because there are no other equivalent drugs available to treat these diseases.*

## REBATES RECEIVED

For State Fiscal Year 2006, ConnPACE received \$30,175,385 in rebates from manufacturers. Rebates are applied directly to the expenditures of the program.

QUARTER	REBATES
Jul - Sep, 2005	\$6,983,713
Oct - Dec, 2005	\$7,372,953
Jan - Mar, 2006	\$9,216,694
Apr - Jun, 2006	\$6,602,025
<b>TOTAL</b>	<b>\$30,175,385</b>

## CLIENT APPEALS

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An appeal is a written or an oral request for reconsideration of an eligibility determination made to the Department by an applicant or participant.

During the semi-annual period of January 1, 2006 to June 30, 2006, the Department received five (5) requests for appeal. These requests were related to over-income and retroactive eligibility. One (1) was denied for over-income and four (4) were granted for retroactive eligibility.

## OUTREACH

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The Department received federal funding and collaborated with CHOICES staff to provide education, outreach and/or program coordination for the new Medicare Prescription Drug Benefit (Medicare Part D) for beneficiaries and community agencies. Additionally, a number of partnerships were developed throughout the state to promote, as well as inform individuals whom the new Medicare Prescription Drug Benefit may affect. Provided below are several examples of outreach efforts:

- Participated with the Medicare Modernization Act Workgroup, which consisted of thirty-five partnering agencies (federal, state, and local) to coordinate efforts, strategies, and activities to implement Medicare Part D;
- Conducted a one-day workshop for Long-Term Care Professionals to assist with understanding the relationship between the Medicare Part D Prescription Drug Coverage Program and their patients/clients, with representatives from the Social Security Administration, Centers for Medicare and Medicaid Services (CMS), and the Department;
- Held a “live” Medicare Part D Town Hall meeting on Connecticut Public Television (CPTV) with physicians, pharmacists, and representatives from both CMS and the Department;
- Implemented an advertising campaign with CPTV, WNPR and *Connecticut Magazine*;
- Mailed ConnPACE client letters providing important facts about Medicare Part D and how to apply for low-income subsidy;
- Produced a twenty-minute Medicare Part D informative DVD for distribution to senior centers, cable public access stations, and the five Area Agencies on Aging;
- Partnered with the Connecticut Pharmacy Association (CPA) in educating pharmacists and developing an open communication line for proper billing;
- Contracted with the University of Connecticut – School of Pharmacy and the CPA, as well as utilized DSS Pharmacy Consultants, to review the drug regimens of each ConnPACE client to facilitate auto-enrollment; and
- Traveled with the Medicare Part D Eligibility / Enrollment Bus throughout Connecticut to assist residents with Medicare Part D eligibility, as well as other DSS programs, such as Medicare Savings Programs, Medicaid, Food Stamps, etc. The Medicare Part D Eligibility / Enrollment Bus is routinely staffed with CHOICES counselors, pharmacists, and DSS Staff.

The Department continues to support [www.connpace.com](http://www.connpace.com), to make program information, application forms, brochures, and reports to the Governor, and links to other related sites more widely available.

## **MEDICARE MODERNIZATION ACT**

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In October 2005, the Department of Social Services began implementation of the new Medicare Part D program following the provisions as outlined in Public Act 05-2, which allows ConnPACE the ability to wrap-around membership benefits with Medicare Part D by paying the Medicare Part D Prescription Drug Plans' (PDP) monthly premium for the first benefit year (January 1, 2006 – December 31, 2006), financial aid with out of pocket costs above the current \$16.25 ConnPACE co-payment, and cover PDP non-formulary drugs through the ConnPACE exception process. The “wrap-around” benefits have been available since January 1, 2006.

During this semi-annual period, the Department continued its dedicated collaboration with the Centers for Medicare and Medicaid Services (CMS) and the Social Security Administration (SSA) to implement this new program. SSA mailings were sent to Medicare beneficiaries with limited income, as extra help with prescription drug costs is available for those who qualify. Of the 20,000 SSA targeted mailings sent to ConnPACE clients instructing them to apply for the Social Security Low-Income Subsidy Extra Help with Medicare Part D costs, as a condition of maintaining their ConnPACE eligibility, approximately 18,000 responses was received. ConnPACE clients who continue to receive Supplemental Security Income (SSI) or are eligible for one of the Medicare Savings Programs were notified via letter from Medicare informing them that they will be automatically receiving the extra help annually and will not need to submit an application to SSA.

Approximately 11,000 ConnPACE beneficiaries self-enrolled into and became active with one of forty-four Medicare Part D PDPs offered in Connecticut as of January 1, 2006. Medicare Part D enrollment continued with another 5,000 ConnPACE beneficiaries self-enrolling into PDPs during February and March 2006.

In early March 2006, the Department started ConnPACE intelligent assignment efforts. This auto-enrollment authority was given to the Department through state legislation and federal approval granted by CMS. Department Pharmacists partnered with the University of Connecticut School of Pharmacy and Connecticut Pharmacist Association to review the maintenance drug regimen of all ConnPACE recipients for a six-month period. Advanced UConn pharmacy students were utilized to review those drug regimens where clients received up to seven maintenance drugs per month. For those ConnPACE recipients who required eight or more prescriptions per month, the Department contracted with independent pharmacists to review these more intense needs. ConnPACE clients received a mailing, which advised them of the three most appropriate PDP's to meet their individualized prescription drug needs. The Department provided the ConnPACE clients a ten-day opportunity to select one of the three recommended plans, or to be auto-enrolled by ConnPACE into the most appropriate of the three plans. As of June 1, 2006, ConnPACE has auto-enrolled approximately 38,000 clients into Medicare Part D PDP's.

## ConnPACE and MEDICARE PART D

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Starting January 1, 2006, Medicare has offered a prescription drug option to over 40 million Medicare beneficiaries nationwide, including 530,000 Connecticut beneficiaries. While this new benefit will provide significant relief for those beneficiaries without any drug coverage, it is also a major shift for those clients who have traditionally received drug coverage from the ConnPACE program.

The Medicare Part D benefit design can be difficult to navigate as it is built with differing requirements for enrollment, cost, and coverage based on the Medicare sub-categories into which a beneficiary may fall. Enrollment in the new program is “voluntary” for those individuals who are only insured by Medicare, however, enrollment is required for ConnPACE Medicare eligible beneficiaries. Extra Help assistance is available for people with lower income and assets. Depending on the level of need, Medicare Part D monthly premiums, and cost sharing may be reduced. Some ConnPACE clients are eligible for the extra benefit provided by Medicare while others will not qualify. For Medicare eligible ConnPACE beneficiaries, Medicare Part D monthly premiums, ranging from \$7.32 to \$65.58, will be fully subsidized by either Medicare or the State of Connecticut and co-payments will not exceed the customary \$16.25 per prescription and, in many cases, may be less.

Approximate # of ConnPACE Beneficiaries	Classified as:	Income / Assets Individual	Income / Assets Couple	Cost Sharing (Co-pays or Deductibles)
10,000	Medicare Savings Group (QMB / SLMB)	Automatically Eligible	Automatically Eligible	\$2.00 (generic) / \$5.00 (brand)
10,874	Other Low-Income Subsidy	<b>Income:</b> \$13,231 to \$14,700 <b>Assets:</b> \$6,000 to \$11,500	<b>Income:</b> \$17,820 to \$19,800 <b>Assets:</b> \$9,000 to \$23,000	\$2.00 (generic) / \$5.00 (brand) <b>OR</b> ≤ \$16.25 per prescription
20,992	Non Low-Income Subsidy *	<b>Income:</b> ≥ \$14,701 <b>Assets:</b> ≥ \$11,501	<b>Income:</b> ≥ \$19,801 <b>Assets:</b> ≥ \$23,001	≤ \$16.25 per prescription

\* Individuals in this group are considered to be receiving the standard Medicare Part D Benefit. When their drug costs exceed \$2,250, there is no Medicare Part D coverage for the next \$2,850 in drug costs. This is often called ‘*the donut hole*’ or ‘*coverage gap*’ in the Medicare Part D program. While in the donut hole, Medicare beneficiaries are responsible for the entire cost of drugs; however, for ConnPACE enrollees who fall into this category, they will continue to pay their current \$16.25 co-pay per prescription, with ConnPACE paying for the remainder of the costs.

The overall ConnPACE enrollment reached a high point in 2005; however, we are now seeing a descending enrollment trend shift since the implementation of Medicare Part D. In comparing the final month of SFY 2005 and SFY 2006, the decrease in numbers is consistent for all categories of this report:

<b>Category</b>	<b>June 2005</b>	<b>June 2006</b>	<b>Difference</b>	<b>% Difference</b>
▪ ConnPACE enrollment	49,396	45,838	-3,558	-7
▪ Total Claims Paid	78,699	57,127	-21,572	-27
▪ Claims Per participant	2.4	1.9	-0.5	-20
▪ Cost Per Claim	\$103.15	\$93.56	-\$9.59	-9
▪ Net Expenditures	\$6,585,270	\$2,817,975	-\$3,767,295	-57

## **PREMIUM PAYMENTS**

Below is a list of the Medicare Part D Plans along with their associated monthly premiums:

<b>MEDICARE PRESCRIPTION DRUG PLAN COMPANY</b>	<b>MEDICARE PART D MONTHLY PREMIUM RANGE</b>
Aetna	\$37.61 to \$65.58
American Progressive Life & Health Insurance Co.	\$35.65 to \$64.26
Anthem Blue Cross & Blue Shield	\$28.64 to \$50.33
Cigna Healthcare	\$36.78 to \$50.57
Coventry Advantra Rx	\$19.35 to \$42.89
Health Net	\$20.03 or \$24.26
Humana	\$7.32 to \$55.08
Medco Health	\$30.47
Member Health: Community Care Rx	\$31.49 to \$43.53
Pacificare Life & Health Insurance Company	\$22.04 to \$39.11
Pennsylvania Life Insurance Company	\$26.23 to \$47.64
Rx America	\$31.52 or \$34.19
SilverScript / Caremark	\$24.67 or \$51.84
Sterling Prescription Drug Plan	\$56.30
Unicare	\$18.85 to \$36.43
United American Insurance Company	\$32.59
United Healthcare Insurance Company	\$23.69 or \$27.00
Wellcare	\$20.59 to \$41.25

Enrollment in Medicare Part D is a requirement for ConnPACE clients who have Medicare Part A and/or Part B. ConnPACE will subsidize the Medicare Part D monthly premium on the client's behalf.

## **ISSUES AND RECOMMENDATIONS**

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Since the initial start-up of the new Medicare Part D Program, many technical problems have plagued the benefit, which have triggered concerns expressed by state officials and complaints from pharmacists suggesting a widespread pattern of problems. Some software and information sharing issues have failed to properly identify clients as being enrolled in any PDP. Without proper identification, pharmacists were unable to process claims. In the first week of Medicare's new drug benefit, many low-income Medicare beneficiaries were often overcharged, and some were turned away from pharmacies without getting their medications.

These problems prompted emergency action by some states to protect their citizens. Many states reported a public health emergency due to the federal implementation of Medicare Part D causing recipients to be turned away at the pharmacy without the drugs they need. Governor Rell, in an effort to avoid a health crisis for these individuals, authorized the Department to suspend system edits and allowed pharmacists the ability to bill the state where technical problems interfered with providing prescription drugs to these individuals. In order to protect the health regimen of our ConnPACE beneficiaries, we temporarily suspended these system restrictions from January 5, 2006 to March 8, 2006. During this time, the Department has worked closely with CMS federal officials, PDP's, pharmacists, advocates, and a host of other states facing the same issues. In their efforts to rectify the problems, CMS has made top officials available for daily conference calls to resolve the system and information sharing issues. Once these issues are resolved, CMS will ensure that states are reimbursed for the claims they have paid during this transition period.

## **PROGRAM HISTORY**

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**PUBLIC ACT 85-573** created the ConnPACE program that began providing benefits to the elderly on April 1, 1986. This Public Act instituted a 15-month pilot program to provide the following:

- 50% participant co-pay per prescription
- Income limits of:
  - \$9,000 for a single person, 65 years of age or older
  - \$12,000 for a married couple, 65 years of age or older
- A \$15.00 annual enrollment fee
- Prescription quantities limited to a 30-day supply or 100 units whichever was lower
- Provider reimbursement based on the average wholesale price minus 6% plus a dispensing fee.

**PUBLIC ACT 87-3** amended the program effective April 1, 1987. The pilot program became a permanent program and the following changes were made:

- The participant co-pay changed to \$4.00 per prescription
- The income limits increased to:
  - \$13,300 for a single person
  - \$16,000 for a married couple
- The disabled, 18 years of age or older, were included
- The enrollment fee was eliminated
- The quantities allowed were increased to a 30-day supply or 120 units whichever was greater
- The provider reimbursement changed to the formula used by the Department of Income Maintenance
- Pharmacies located in health care institutions were allowed to participate in the program.

**PUBLIC ACT 87-12** redefined “prescription drugs” to include drugs which require a prescription of a licensed practitioner for dispensing in the State of Connecticut.

**PUBLIC ACT 87-267** amended the definition of “income” to exclude Medicaid payments.

**PUBLIC ACT 87-589** revised the definition of “disabled” to specify a person between 18 and 64 years of age and receiving disability benefits under Title II or Title XVI of the Social Security Act.

**REGULATIONS OF CONNECTICUT STATE AGENCIES, SECTION 17-516-24** was amended to increase the income limits to \$13,800 for single individuals and \$16,600 for married couples, effective January 1, 1990.

**SPECIAL ACT 90-18** increased the participant co-payment amount to \$6.00 per prescription effective July 1, 1990.

**PUBLIC ACT 90-89** ended coverage for products prescribed for cosmetic purposes effective December 19, 1990.

**PUBLIC ACT 91-8** of the June Special Session made the following changes effective September 15, 1991:

- Increased the participant co-payment to \$10.00 per prescription
- Required all participants and applicants to pay a one-time \$15.00 registration fee
- Ended coverage for antihistamines, contraceptives, cough preparations, diet pills, multivitamin combinations, and smoking cessation gum
- Required mandatory generic substitution unless a physician indicates the brand is medically necessary
- Eliminated the \$0.50 generic incentive fee
- Changed reimbursement to pharmacies from package sizes of 100 to actual package size
- Changed reimbursement to direct price for those pharmacies who purchase directly from the manufacturer
- Retroactive to July 1, 1991, created a Manufacturer Rebate Program based on a flat 11% of the Average Manufacturers Price.

**PUBLIC ACT 92-196** discontinued coverage for individuals who have full or partial coverage for prescription drugs once a deductible amount is met. The Manufacturer Rebate Program Language was modified with changes effective July 1, 1992.

**PUBLIC ACT 93-80** changed the Manufacturer Rebate amount to the basic rebate supplied by the manufacturer under Section 1927 of Title XIX of the Social Security Act effective July 1, 1993.

**PUBLIC ACT 93-418** changed the participant co-pay to \$12.00 per prescription effective July 1, 1993.

**PUBLIC ACT 94-5** of the May Special Session excluded the Medicare Part B premium from an applicant's Social Security income effective July 1, 1994.

**PUBLIC ACT 95-160** changed the one-time fee to an annual registration fee of \$25.00 effective July 1, 1995.

**PUBLIC ACT 95-351** changed the Manufacturer Rebate to equal the same rebate supplied by the manufacturer under Section 1927 of Title XIX of the Social Security Act effective July 1, 1995.

**THE CONNECTICUT STATE BUDGET 1995-1997** authorized a change in the Estimated Acquisition Cost (E.A.C.) reimbursement rate from Average Wholesale Price (A.W.P.) minus 8% to A.W.P. minus 12%, plus the applicable dispensing fee, effective October 1, 1995.

**PUBLIC ACT 97-2** of the June 18th Summer Session authorized a change in the program's income limits. Effective January 1, 1998, the income limits will be increased to reflect the cost of living (COLA) increase provided by the Social Security Administration, if any.

**PUBLIC ACT 98-194** allowed for any ConnPACE eligible applicant who is insured under a private policy, which provides limited prescription coverage, and expects to exhaust such coverage, to apply to participate in ConnPACE prior to the exhaustion of such coverage. Eligibility will be granted retroactive to the day that the private insurance benefit has been exhausted. Verification from the private insurance that the maximum benefit has been reached is required.

**PUBLIC ACT 00-2** of the June Special Session allowed for the establishment of a plan for the prior authorization of (1) any initial prescription for a drug covered under the program that costs five hundred dollars or more for a 30 day supply or (2) any early refill of a prescription drug covered under the program. Additionally, a procedure shall be established by which an independent pharmacy consultant authorizes the dispensing of a brand name drug product when a chemically equivalent generic drug product is available.

**THE CONNECTICUT STATE BUDGET 2000-2001** changed the accounting for the Manufacturer Rebate. Effective July 1, 2000, rebate collections are used to offset program expenditures directly and are no longer deposited to the General Fund as revenue.

**PUBLIC ACT 01-2** of the June 2001 Special Session established income limit increases to the ConnPACE program effective April 1, 2002. These income limits were increased to \$20,000 for a single individual and \$27,100 for married couples.

**PUBLIC ACT 02-1** of the May 9, 2002 Special Session:

- Authorized the Commissioner of Social Services to establish maximum allowable costs (MAC) to be paid under the ConnPACE program for generic prescription drugs.
- Authorized the Commissioner of Social Services to establish a voluntary mail order option for maintenance prescription drugs covered under ConnPACE.
- Established a Pharmaceutical and Therapeutics (P&T) Committee within the Department of Social Services consisting of eleven members appointed by the Governor to meet at least quarterly.
  - Directed the Department of Social Services to adopt a preferred drug list upon the recommendation of, and review by, the P&T Committee.
  - Allowed pharmaceutical manufacturers to provide supplemental rebates for drugs included on the preferred drug list.
- Reduced the dispensing fee paid to pharmacies from \$4.10 to \$3.85 per prescription, effective September 1, 2002.
- Authorized the Commissioner of Social Services to implement a pharmaceutical purchasing initiative through a contractor.

**PUBLIC ACT 02-7** of the May 9, 2002, Special Session: Changed co-pay requirements per prescription for individuals determined eligible on or after September 1, 2002, to:

- \$12.00 if participant is not married with annual income less than \$15,900; or
- \$12.00 if participant is married with combined annual income less than \$21,500; or
- \$15.00 if participant is not married with annual income greater than or equal to \$15,900 and less than or equal to \$20,000; or
- \$15.00 if participant is married with combined annual income greater than or equal to \$21,500 and less than or equal to \$27,100; or

If a participant is determined continuously eligible prior to September 1, 2002, that participant's co-pay shall remain at \$12. If a federal waiver is granted, co-payment shall be:

- \$20 if participant is not married and annual income exceeds \$20,000, or
- \$20 if participant is married and combined annual income exceeds \$27,100.

Income limits that set participant co-payments shall increase annually by the annual inflation adjustment in Social Security income, if any, determined to the nearest \$100.

**PUBLIC ACT 03-2** eliminated the tiered and grandfathered co-payment structure and increased the co-payment amount to \$16.25 per prescription for all clients. The Act also increased the annual enrollment fee to \$30, and reduced pharmacists' dispensing fees from \$3.85 to \$3.60.

**PUBLIC ACT 03-3** decreased the pharmacists' dispensing fee to \$3.30 per prescription, effective November 1, 2003. Also, the Act introduced an Asset Test to the ConnPACE program. The ConnPACE asset determination was to follow the asset determination criteria of the Connecticut Home Care Program for the Elderly. For a single participant, the available assets must be less than \$100,000 or; for a married participant, the available assets combined with those of a spouse must be less than \$125,000. In addition, the Act included an Estate Recovery provision to the ConnPACE program. This authorized the State to seek recoupment from the participant's estate for the total amount of ConnPACE benefits received by the deceased on or after July 1, 2003.

**PUBLIC ACT 04-6** as a condition of eligibility for participation in the ConnPACE program, a ConnPACE client with an annual income equal to or less than the Federal Poverty Level of 135% (for a single person is \$12,569, for a married couple is \$16,862), who is Medicare Part A or Part B eligible, must obtain a Medicare-Approved Drug Discount Card endorsed by the Secretary of Health and Human Services with the \$600 Transitional Assistance Prescription Benefit, effective March 30, 2004. In addition, pharmacies participating in the ConnPACE program must accept all Medicare-Approved Drug Discount Cards endorsed by the Secretary of Health and Human Services.

**PUBLIC ACT 04-101** the Department may sign required forms and enroll ConnPACE participants, who are eligible, to an endorsed Medicare-Approved Drug Discount Card with the \$600 Transitional Assistance Prescription Benefit, if the participant does not select an endorsed Medicare-Approved Drug Discount Card on his or her behalf.

**PUBLIC ACT 04-258** decreased the pharmacists' dispensing fee to \$3.15, effective July 1, 2004. Also, the state repealed the asset testing and estate recovery, effective June 4, 2004.

**PUBLIC ACT 05-280** authorized a change in the Estimated Acquisition Cost (EAC) reimbursement rate paid to pharmacies from Average Wholesale Price (AWP) minus 12% to AWP minus 14% effective July 1, 2005. Additionally, the act made adjustments to the ConnPACE program in response to the federal Medicare Part D Program effective January 1, 2006, such as:

1. mandates monthly premium payments for ConnPACE clients
2. continuance of the maximum co-payment of \$16.25 per prescription for Medicare Part D coinsurance, deductible, or donut hole
3. eliminates the pharmacy dispensing fee of \$3.15 when a beneficiary accesses Medicare Part D
4. maintains utilization of prior or current annual income at time of application or renewal

The act requires a client to have Medicare Part D coverage and requires the pharmacy to make reasonable efforts to ascertain whether the individual has Medicare Part D benefits.

**PUBLIC ACT 05-280** (*continued*) The act requires people eligible for the Medicare Part D program to enroll in it as a condition for ConnPACE eligibility. Starting July 1, 2005, a ConnPACE applicant or recipient must, as a condition of eligibility, provide information about his assets and income (and his spouse's if they live in the same household), as DSS requires to determine the extent of federal benefits for which he may be eligible under Medicare Part D.

Also, it requires a ConnPACE applicant or recipient to appoint the DSS commissioner as his authorized representative for (1) applying to the Social Security Administration to obtain the Part D low-income subsidy, (2) appealing any denial of Medicare Part D benefits, and (3) for any other purpose the federal law allows if the commissioner deems it necessary. It allows the commissioner to sign required forms and enroll the ConnPACE applicant or recipient in a Medicare Part D plan.

The Commissioner must give the individual an opportunity to choose a plan and must notify him of this opportunity. If the person does not choose a plan within a reasonable time, as determined by the commissioner, DSS must enroll him in a plan she designates.

The act makes the law concerning the temporary two-year Medicare drug discount cards effective only until the new Medicare Part D program begins.

**PUBLIC ACT 05-2** of the November 2, 2005 Special Session made several adjustments to PA 05-280 to fill in gaps for ConnPACE clients in the state's coordination with the federal Medicare Part D prescription assistance program, which began on January 1, 2006.

Specifically, it:

1. established a "Medicare Part D Supplemental Needs Fund" to help Medicare Part D beneficiaries who are also ConnPACE participants who cannot pay for medically necessary nonformulary drugs, authorizes the Department to set conditions and procedures for this assistance, and transfers \$5 million to the fund from Medicaid appropriations for FY 06;
2. eliminated DSS's authority to make the ConnPACE client, in certain situations, responsible for paying the difference between what DSS pays for a drug on a plan's formulary and the price of the drug above the usual \$16.25 ConnPACE copay;
3. gave ConnPACE clients and applicants an opportunity to consult with the commissioner, or her agent, about Medicare Part D plan selection before choosing one and transfers \$1 million from Medicaid appropriations for FY 06 to provide additional resources for these services; and
4. allowed the DSS Commissioner to establish a mail order option for all drugs under Part D plans.

**PUBLIC ACT 05-3** of the November 2, 2005 Special Session the department shall enroll all ConnPACE participants into a Medicare Prescription Drug Plan if the participant(s) do not enroll themselves within a reasonable time. This act also allows the Commissioner to apply to Social Security Administration for federal Medicare Part D low-income subsidies on behalf of low-income ConnPACE participants, as stated in Public Act 05-280.

# ANNUAL REPORT

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## INTRODUCTION

This section provides annual program information for SFY 2006.

## PROGRAM ENROLLMENT ACTIVITY

ConnPACE received 203,749 telephone calls from participants, potential applicants, and the general public during this fiscal year. The ConnPACE toll-free (1-800-423-5026) and Hartford area (860-832-9265) numbers are the primary means of program communication.

ConnPACE distributed 13,515 application/brochure packages, received 11,651 new applications, and 32,583 renewals during the year.

Enrollment decreased by 7%, from 49,177 at the beginning of this fiscal year (July 1, 2005) to 45,838 at the end of the fiscal year (June 30, 2006).

Included in this appendix is a list of the 169 Connecticut towns with their respective number of enrollees as of June 30, 2006.

## COST AND QUANTITY OF PRESCRIPTIONS

**Cost:** The average cost of a prescription this fiscal year increased from \$94.82 as of June 30, 2005, to \$101.26 as of June 30, 2006; a 6% increase.

**Quantity:** The average number of prescriptions paid on behalf of each ConnPACE enrollee varied over the past 12 months. The average number of prescriptions paid per enrollee for the 2006 fiscal year was 22.

**Elderly / Disabled:** For elderly (65 years old +) participants, the program paid for an average of 20 prescriptions with an average annual expenditure of \$1,846.80. Disabled participants had an average of 24 prescriptions paid with an average annual expenditure of \$3,436.35 per participant.

**Program Costs:** During the State Fiscal Year 2006, ConnPACE offset program costs by receiving \$1,496,657 in application fees from participants and \$30,175,385 from drug manufacturers. **ConnPACE's net expenditures for SFY 2006 was \$64,279,927.**

## **COST AND QUANTITY OF PRESCRIPTIONS**

**Prescriptions Per Enrollee:** The following shows the average number of prescriptions per enrollee for elderly, disabled, and combined populations by fiscal year.

<b>Fiscal Year</b>	<b>Elderly</b>	<b>Disabled</b>	<b>Total</b>
1996	16	23	16
1997	16	23	16
1998	17	24	17
1999	19	25	20
2000	18	23	18
2001	22	28	23
2002	18	24	19
2003	20	23	21
2004	21	24	22
2005	19	25	20
2006	20	24	21

**Price Per Prescription:** The following shows the average price per prescription for elderly, disabled, and combined populations by fiscal year.

<b>Fiscal Year</b>	<b>Elderly</b>	<b>Disabled</b>	<b>Total</b>
1996	\$39.76	\$52.06	\$40.47
1997	\$42.06	\$60.61	\$43.26
1998	\$46.46	\$67.14	\$48.54
1999	\$51.84	\$75.69	\$55.00
2000	\$55.86	\$84.91	\$59.94
2001	\$61.35	\$91.16	\$66.57
2002	\$66.71	\$96.20	\$71.85
2003	\$72.96	\$104.36	\$78.05
2004	\$82.67	\$122.96	\$89.23
2005	\$90.51	\$138.55	\$94.86
2006	\$92.34	\$142.41	\$101.53

## TOP 100 DRUGS BY AMOUNT PAID - STATE FISCAL YEAR 2006

This list presents the National Drug Code, drug name and strength, the number of prescriptions and the total amount paid.

Of these 100 drugs, one is a generic drug (noted by *bold italics*).

Rank	NDC	Drug Name	Drug Strength	Rx Count	Total Amount Paid
1	636531171	PLAVIX	75MG	18,915	\$3,311,337.53
2	003003046	PREVACID	30MG	15,603	\$2,993,221.13
3	001865040	NEXIUM	40MG	13,811	\$2,606,556.92
4	000710155	LIPITOR	10MG	25,823	\$2,540,073.21
5	000710156	LIPITOR	20MG	17,123	\$2,523,526.61
6	000080841	PROTONIX	40MG	14,087	\$1,933,666.86
7	000060031	FOSAMAX	70MG	16,233	\$1,582,800.13
8	000060740	ZOCOR	20MG	6,937	\$1,240,738.07
9	000710157	LIPITOR	40MG	8,393	\$1,215,844.98
10	000691540	NORVASC	10MG	14,134	\$1,189,576.86
11	000035194	PRAVACHOL	40MG	5,530	\$1,142,279.60
12	665820414	ZETIA	10MG	9,937	\$1,122,730.57
13	628560243	ACIPHEX	20MG	5,737	\$1,092,801.80
14	000060749	ZOCOR	40MG	5,833	\$1,082,577.97
15	628560246	ARICEPT	10MG	6,280	\$1,057,568.62
16	001730696	ADVAIR DISK	250-50MC	6,691	\$1,025,969.23
17	000245421	AMBIEN	10MG	10,546	\$997,874.93
18	000691530	NORVASC	5MG	16,752	\$995,980.18
19	001490472	ACTONEL	35MG	8,989	\$861,094.44
20	000293160	AVANDIA	8MG	3,521	\$813,971.56
21	647640301	ACTOS	30MG	3,364	\$769,605.14
22	000251525	CELEBREX	200MG	6,286	\$710,158.93
23	005970075	SPIRIVA	18MCG	5,902	\$688,770.90
24	634810687	LIDODERM	5% (700MG)	3,180	\$673,756.00
25	001730697	ADVAIR DISK	500-50MC	2,994	\$644,573.25
26	004562010	LEXAPRO	10MG	8,230	\$641,414.55
27	000882220	LANTUS	100 U/ML	6,114	\$601,534.96
28	000095191	DETROL LA	4MG	5,272	\$590,129.33
29	003100201	ARIMIDEX	1MG	1,898	\$564,492.22
30	005970058	FLOMAX	0.4MG	6,070	\$563,852.31
31	000494900	ZOLOFT	50MG	5,423	\$545,131.25
32	000024165	EVISTA	60MG	4,367	\$537,036.00
33	647640451	ACTOS	45MG	2,087	\$527,048.17
34	000293159	AVANDIA	4MG	4,043	\$514,206.14
35	005970013	COMBIVENT	103-18MC	6,616	\$506,908.65

Rank	NDC	Drug Name	Drug Strength	Rx Count	Total Amount Paid
36	000060117	SINGULAIR	10MG	4,746	\$483,515.50
37	000743799	HUMIRA	40MG/0.8ML	275	\$474,836.84
38	000035178	PRAVACHOL	20MG	3,242	\$469,985.68
39	004563210	NAMENDA	10MG	3,752	\$468,279.77
40	590110105	OXYCONTIN	40MG	1,062	\$465,371.02
41	000881153	COPAXONE	20MG	321	\$451,850.94
42	000494910	ZOLOFT	100MG	4,425	\$450,806.61
43	000024420	ZYPREXA	20MG	813	\$438,794.81
44	001861092	TOPROL XL	100MG	8,553	\$438,272.22
45	000746123	TRICOR	145MG	3,233	\$431,712.27
46	000245401	AMBIEN	5MG	5,570	\$428,177.47
47	000138303	XALATAN	0.005%	9,138	\$411,074.95
48	628560245	ARICEPT	5MG	2,404	\$396,440.73
49	<b>000930033</b>	<b>OXYCODONE HCL</b>	<b>80MG</b>	627	\$381,927.11
50	001861090	TOPROL XL	50MG	11,630	\$359,342.88
51	000063628	COSOPT	0.5%-2%	5,449	\$355,815.89
52	005970029	MOBIC	7.5MG	2,920	\$349,939.88
53	595720205	THALOMID	50MG	132	\$349,194.17
54	000710158	LIPITOR	80MG	2,386	\$345,708.83
55	000024117	ZYPREXA	10MG	1,077	\$336,780.44
56	003100272	SEROQUEL	200MG	1,031	\$335,449.74
57	000080833	EFFEXOR XR	75MG	2,227	\$332,107.52
58	584060435	ENBREL	50MG/ML	220	\$328,969.40
59	590110107	OXYCONTIN	80MG	331	\$326,597.24
60	596270002	AVONEX	30MCG/.5ML	273	\$325,887.80
61	615700120	ALTACE	10MG	3,401	\$324,117.89
62	000074142	COREG	25MG	2,774	\$321,834.42
63	000780359	DIOVAN	160MG	4,249	\$318,076.33
64	000024415	ZYPREXA	15MG	660	\$316,040.94
65	001860743	PRILOSEC	40MG	1,278	\$311,983.44
66	001730695	ADVAIR DISK	100-50MCG	2,495	\$295,890.85
67	647640151	ACTOS	15MG	2,045	\$288,318.32
68	003100275	SEROQUEL	25MG	2,848	\$281,091.72
69	000080836	EFFEXOR XR	150MG	1,985	\$279,102.07
70	000239177	ALPHAGAN P	0.15%	3,900	\$272,094.78

Rank	NDC	Drug Name	Drug Strength	Rx Count	Total Amount Paid
71	000074140	COREG	6.25MG	2,612	\$270,503.28
72	000024115	ZYPREXA	5MG	1,368	\$270,179.87
73	004562020	LEXAPRO	20MG	3,266	\$267,636.02
74	005970030	MOBIC	15MG	1,613	\$265,731.02
75	665820313	VYTORIN	10MG-40MG	2,373	\$262,714.96
76	007817114	FENTANYL	100MCG/HR	576	\$262,523.92
77	000028971	FORTEO	750MCG/3ML	443	\$259,968.60
78	504580320	RISPERDAL	2MG	1,013	\$258,682.87
79	000780358	DIOVAN	80MG	3,874	\$257,302.52
80	001730447	ZOFRAN	8MG	226	\$256,929.23
81	000780315	DIOVAN HCT	160-12.5MG	2,757	\$253,740.86
82	000074141	COREG	12.5MG	2,279	\$249,523.73
83	003001541	PREVACID	15MG	1,409	\$247,461.44
84	634590508	ACTIQ	800MCG	127	\$246,743.54
85	000060952	COZAAR	50MG	3,271	\$243,064.91
86	591480009	ABILIFY	15MG	682	\$231,983.62
87	000060072	PROSCAR	5MG	1,698	\$231,564.40
88	665820312	VYTORIN	10-20MG	2,174	\$229,519.93
89	000239187	LUMIGAN	0.03%	2,725	\$227,445.92
90	003100271	SEROQUEL	100MG	1,484	\$224,677.27
91	001490752	ASACOL	400MG	1,353	\$224,546.08
92	504580330	RISPERDAL	3MG	957	\$221,914.57
93	000780311	MIACALCIN	200 U/DOSE	2,798	\$221,161.94
94	001861094	TOPROL XL	200MG	2,415	\$220,350.26
95	596760340	PROCRIT	40000 U/ML	124	\$218,758.19
96	000451525	LEVAQUIN	500MG	3,223	\$218,263.99
97	000450641	TOPAMAX	100MG	951	\$216,413.17
98	000780360	DIOVAN	320MG	2,291	\$216,301.35
99	000060543	ZOCOR	80MG	1,123	\$214,771.40
100	000780354	LESCOL XL	80MG	2,060	\$214,042.90
		<b>Top 100 Totals: SFY 2006</b>		<b>457,458</b>	<b>\$60,558,621.23</b>
		SFY 2005		370,101	\$54,058,203.57
		SFY 2004		429,164	\$57,429,717.76
		SFY 2003		415,255	\$48,843,830.09

## TOWN ENROLLMENT

Town	2006
ANDOVER	39
ANSONIA	364
ASHFORD	50
AVON	106
BARKHAMSTED	28
BEACON FALLS	80
BERLIN	312
BETHANY	44
BETHEL	206
BETHLEHEM	61
BLOOMFIELD	315
BOLTON	31
BOZRAH	48
BRANFORD	465
BRIDGEPORT	1,637
BRIDGEWATER	17
BRISTOL	1,059
BROOKFIELD	157
BROOKLYN	93
BURLINGTON	57
CANAAN	72
CANTERBURY	82
CANTON	99
CHAPLIN	29
CHESHIRE	309
CHESTER	49
CLINTON	180
COLCHESTER	183
COLEBROOK	4
COLUMBIA	34
CORNWALL	20
COVENTRY	125
CROMWELL	241
DANBURY	834
DARIEN	59
DEEP RIVER	47
DERBY	237
DURHAM	73
EASTFORD	9
EAST GRANBY	57
EAST HADDAM	97
EAST HAMPTON	135
EAST HARTFORD	810
EAST HAVEN	797
EAST LYME	150
EASTON	52

Town	2006
EAST WINDSOR	170
ELLINGTON	192
ENFIELD	633
ESSEX	67
FAIRFIELD	466
FARMINGTON	252
FRANKLIN	25
GLASTONBURY	277
GOSHEN	20
GRANBY	76
GREENWICH	419
GRISWOLD	187
GROTON	386
GUILFORD	200
HADDAM	62
HAMDEN	914
HAMPTON	43
HARTFORD	1,064
HARTLAND	20
HARWINTON	67
HEBRON	78
KENT	48
KILLINGLY	509
KILLINGWORTH	61
LEBANON	65
LEDYARD	81
LISBON	94
LITCHFIELD	122
LYME	22
MADISON	155
MANCHESTER	733
MANSFIELD	140
MARLBOROUGH	52
MERIDEN	1,108
MIDDLEBURY	110
MIDDLEFIELD	52
MIDDLETOWN	760
MILFORD	737
MONROE	203
MONTVILLE	210
MORRIS	42
NAUGATUCK	428
NEW BRITAIN	1,312
NEW CANAAN	77
NEW FAIRFIELD	106

Town	2006
NEW HARTFORD	61
NEW HAVEN	1,598
NEWINGTON	508
NEW LONDON	243
NEW MILFORD	363
NEWTOWN	226
NORFOLK	26
NORTH BRANFORD	208
NORTH CANAAN	13
NORTH HAVEN	492
NORTH STONINGTON	42
NORWALK	914
NORWICH	840
OLD LYME	94
OLD SAYBROOK	123
ORANGE	150
OXFORD	105
PLAINFIELD	349
PLAINVILLE	369
PLYMOUTH	176
POMFRET	47
PORTLAND	127
PRESTON	74
PROSPECT	139
PUTNAM	282
REDDING	37
RIDGEFIELD	150
ROCKY HILL	226
ROXBURY	27
SALEM	40
SALISBURY	38
SCOTLAND	207
SEYMOUR	237
SHARON	24
SHELTON	525
SHERMAN	21
SIMSBURY	139
SOMERS	104
SOUTHBURY	238
SOUTHINGTON	759
SOUTH WINDSOR	301
SPRAGUE	58
STAFFORD	293
STAMFORD	901
STERLING	33
STONINGTON	339
STRATFORD	688
SUFFIELD	152

Town	2006
THOMASTON	166
THOMPSON	215
TOLLAND	109
TORRINGTON	811
TRUMBULL	416
UNION	4
VERNON	563
VOLUNTOWN	30
WALLINGFORD	656
WARREN	7
WASHINGTON	37
WATERBURY	2,260
WATERFORD	327
WATERTOWN	234
WESTBROOK	164
WEST HARTFORD	585
WEST HAVEN	831
WESTON	23
WESTPORT	155
WETHERSFIELD	442
WILLINGTON	30
WILTON	104
WINCHESTER	280
WINDHAM	435
WINDSOR	256
WINDSOR LOCKS	222
WOLCOTT	295
WOODBIDGE	61
WOODBURY	120
WOODSTOCK	96

Town enrollments for SFY 2006 reflect total enrollments as of June 30, 2006.