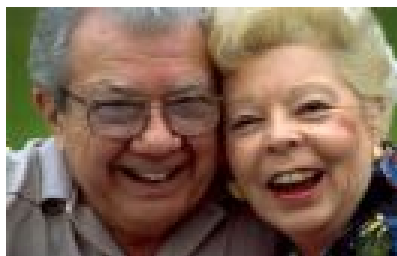


ConnPACE

Semi-Annual Report & Annual Synopsis to Governor M. Jodi Rell

January 2008 – June 2008



Michael P. Starkowski, Commissioner



MICHAEL P. STARKOWSKI
Commissioner

STATE OF CONNECTICUT
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September 25, 2008

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 & Annual Report for the period of July 1, 2007 to June 30, 2008.

The first section of this report reflects the Semi-Annual findings for January through June 2008 whereas the second section includes an annual summary of the findings for July 2007 through June 2008.

Thank you for the opportunity to share ConnPACE's continued progress and success in serving Connecticut's elderly and disabled for more than 21 years.

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

Sincerely,

Michael P. Starkowski
Commissioner

RH/sph

cc: Senator Mary Ann Handley
Senator Gayle Slossberg
Representative Peggy Sayers
Representative Elizabeth Ritter

Semi-Annual Report: January to June 2008

The Department of Social Services presents the following information as an overview of the services provided to the elderly and disabled individuals enrolled in the state-funded Connecticut Pharmaceutical Assistance Contract to the Elderly and the Disabled Program, ConnPACE. The second half of State Fiscal Year 2008 shows that the processes for paying monthly Medicare D premiums and completing formulary exceptions on behalf of our clients have continued to be successful. As the report illustrates, Medicare Part D continues to impact the expenditures and influence client enrollment significantly.

For the second half of State Fiscal Year 2008, the ConnPACE Program subsidized the cost of 315,447 prescriptions totaling \$15,675,069 for an average of 36,634 clients per month. Thirty-eight percent of prescription drugs paid for during this period were for generic products. In addition to the prescription benefit, the ConnPACE Program subsidized Medicare Part D premiums in the amount of \$4.4 million for an average of 35,643 clients per month. Although enrollment numbers for the ConnPACE program have continued to decline, premium expenditures have increased by approximately 12.5 % from last reporting period. While the Department is presently reviewing the root causes of the significant increase in premium expenditures, indications are that more ConnPACE members are choosing to enroll with enhanced Medicare Part D Plans that have higher premiums.

The ConnPACE program is promulgated under regulations of Connecticut State Agencies, Sections 17b-262-684 to 17b-262-692, and Connecticut General Statutes, Sections 17b490 to 17b-498.

DSS ORGANIZATION

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Semi-Annual Report: January to June 2008- Eligibility Guidelines

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 and proof of age, state residency, income, disability (if applicable), enrollment in Medicare Part D (if applicable), and insurance (if any). Participants must apply annually for re-determination of eligibility.

Requirements for ConnPACE Eligibility:

- Residency:** A person must be a resident of Connecticut for six months prior to applying;
- Age:** A person must be 65 years of age or older **or**;
- Disabled:** A person can 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);
- Income:** A person must have an annual adjusted gross income of less than \$23,700 if single, or a combined income of less than \$31,900 if married, effective January 1, 2008;
- Insurance** A person must 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;
- Medicare Part D:** A person must be enrolled in a Medicare Part D Prescription Drug Plan (PDP), if the applicant has Medicare Part A and/or Part B;
- Social Security/
Extra Help:** A person must apply for Social Security's Low Income Subsidy ("Extra Help") benefit with Medicare. Extra help may be available if a participant's annual income is less than or equal to \$15,600 and assets are less than \$11,990 for a single person, OR annual income is less than or equal to \$21,000 and assets less than \$23,970 for a married couple.
- Registration Fee:** A person must submit a \$30.00 registration fee with their application.



Once determined eligible, the participant receives a ConnPACE benefits card. The ConnPACE cardholder presents the card to their dispensing pharmacy to have their prescription filled. The pharmacist validates the client's eligibility, appropriate coverage, and primary payer for the drug, and then collects the co-payment from the cardholder. ConnPACE subsidizes the appropriate balance due.

Semi-Annual Report: January to June 2008- Eligibility Activity

The ConnPACE Program has again seen a steady decline in enrollment during this reporting period. The total number of enrollees in January 2008 was 37,775 individuals; and at the end of June 2008, enrollment had declined to 35,831. In the last reporting period, July through December 2007, a similar trend was seen in ConnPACE enrollment numbers.

ConnPACE Enrollees-June 2008

Elderly	31,283
Disabled	4,548

Medicare Savings Group

10,770

Extra Help Low Income Subsidy

5,347

The Department attributes this ongoing decline to persons that qualify for the Medicare Savings Group or the Low Income Subsidy Extra Help benefit under the Social Security Program for Medicare Part D.

Under these programs, beneficiaries do not pay Medicare Part D premiums or deductibles; and their prescription co-pays are minimal. Depending on a beneficiary's subsidy level, the Medicare Part D co-pays can be as low as \$1.05 for generics and \$3.10 for brands or up to a maximum of \$2.25 for generics and \$5.60 for the brand name products.

The Department of Social Services contracts with Electronic Data Systems (EDS) to process all applications and renewals, collect annual enrollment fees, issue ConnPACE cards, and provide a Client Call Center.



The ConnPACE Client Call Center provides a toll free number (1-800-423-5026) and a local Farmington, CT number (860-269-2029) for all callers. The Client Call Center is available to callers Monday through Friday from 8:30 a.m. to 5:00 p.m. and provides program enrollment information, assistance with application questions, and coverage information. During this reporting period, the ConnPACE Client Call Center received 60,062 telephone inquiries from ConnPACE clients and twenty-one inquiries from providers regarding a ConnPACE client.

The ConnPACE Program received 4,235 new applications and 22,534 renewal applications during this reporting period. Of the new applications, 3,593 were approved; and for the renewal applications, 17,613 were approved. All applications and renewals are processed within seven business days.

The Department received two appeal requests for reconsideration of the initial decision made. One request was to change the eligibility determination decision, which was approved; and the second request was to change the eligibility date/period, and this request was denied.

Semi-Annual Report: January to June 2008- Eligibility Activity

In April, the ConnPACE program released a new ConnPACE application that now allows couples to apply to the program jointly. The new application has two sections to fill out: one for yourself, and one for your spouse. The new application will also be used by those applying to the ConnPACE program individually. Individual applicants will simply leave the "Spouse" section blank. This will be advantageous to couples where both people are eligible for the ConnPACE program. Couples will now be able to renew their benefits together rather than receiving notices from ConnPACE at different times throughout the year. This will avoid confusion and any other inconveniences caused by monitoring two separate applications.

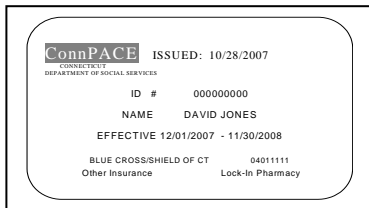
The new ConnPACE application and application instructions can be found on the ConnPACE website in both English and Spanish, <http://www.connpace.com>.

ConnPACE Application Return to: ConnPACE, P.O. Box 5011, Hartford, CT 06102-5011 ConnPACE Phone Numbers: Toll Free 1-800-423-5026 or Local/Out of State 860-269-2029		
This application is for: <input type="checkbox"/> An Individual Applicant (\$30 fee required) <input type="checkbox"/> A Married Couple (\$60 fee required) Please complete all sections of the application and submit copies of documentation requested and the fee. <input type="checkbox"/> Sí, me gustaría recibir la aplicación y notificaciones del ConnPACE en Español solamente. (Yes, I would like to receive my ConnPACE application and notifications in Spanish only.)		
APPLICANT INFORMATION If you and your spouse are applying together please complete the "SELF" and the "SPOUSE" columns		
	SELF	SPOUSE (complete if applying as a married couple)
NAME	(Last) _____ (First) _____ (MI) _____ Apt # _____ (Street Address) _____ City _____ CT _____ ZIP _____ Gender <input type="checkbox"/> FEMALE <input type="checkbox"/> MALE	(Last) _____ (First) _____ (MI) _____ Apt # _____ (Street Address) _____ City _____ CT _____ ZIP _____ Gender <input type="checkbox"/> FEMALE <input type="checkbox"/> MALE
	TELEPHONE / EMAIL _____ () _____ - _____ E-MAIL ADDRESS (if applicable) _____	
	SOCIAL SECURITY # _____ / _____ / _____	_____ / _____ / _____
	MEDICARE HIC # (if applicable) Copy of Card Required _____ / _____ / _____	_____ / _____ / _____
	DATE OF BIRTH Proof of Age required _____ / _____ / _____ month / day / year	_____ / _____ / _____ month / day / year
RACE Optional-check one <input type="checkbox"/> Caucasian <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian <input type="checkbox"/> Pacific Alaska Native <input type="checkbox"/> Native American	<input type="checkbox"/> Caucasian <input type="checkbox"/> Black <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian <input type="checkbox"/> Pacific Alaska Native <input type="checkbox"/> Native American	
MARITAL STATUS Required-check one <input type="checkbox"/> Single, Divorced, Widowed <input type="checkbox"/> Married <input type="checkbox"/> Separated or spouse lives in nursing home	<input type="checkbox"/> Single, Divorced, Widowed <input type="checkbox"/> Married <input type="checkbox"/> Separated or spouse lives in nursing home	
RESIDENCY Proof Required I have been a Connecticut resident for the past 6 months <input type="checkbox"/> YES <input type="checkbox"/> NO	My spouse has been a Connecticut resident for the past 6 months <input type="checkbox"/> YES <input type="checkbox"/> NO	
DISABILITY Proof Required I am currently receiving disability benefits under SSDI (Title II) or the SSI (Title XVI) program? <input type="checkbox"/> YES <input type="checkbox"/> NO	My spouse is currently receiving disability benefits under SSDI (Title II) or the SSI (Title XVI) program? <input type="checkbox"/> YES <input type="checkbox"/> NO	
INSURANCE & MEDICARE PRESCRIPTION DRUG COVERAGE INFORMATION		
Please answer all of the following questions:		
Are you or your spouse currently on STATE MEDICAID (Title 19)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are you or your spouse currently on SPEND DOWN?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you or your spouse receive MEDICARE PART A benefits?*	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you or your spouse receive MEDICARE PART B benefits?*	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Does the Department of Social Services pay for you or your spouses Medicare PART B premium?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
If you or your spouse have Medicare Part A and/or Part B, you must be enrolled in a Medicare Part D Prescription Drug Plan prior to receiving ConnPACE benefits		
Do you or your spouse have Medicare Part D Prescription Drug Plan coverage?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
If NO, would you like ConnPACE to select a Medicare Part D PDP for you or your spouse?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
If YES, please complete the information below and send a copy of the front and back of your PDP Card(s).		
SELF PDP Name: _____ PDP Policy #: _____ Starts: _____ Ends: _____ Monthly Premium: \$ _____		SPOUSE PDP Name: _____ PDP Policy #: _____ Starts: _____ Ends: _____ Monthly Premium: \$ _____
Do you or your spouse have private insurance that pays for prescriptions? If YES, please provide information and send a copy of your insurance card(s)		
SELF <input type="checkbox"/> YES <input type="checkbox"/> NO Company: _____ Policy #: _____ Started: _____ Ends: _____		SPOUSE (if applicable) <input type="checkbox"/> YES <input type="checkbox"/> NO Company: _____ Policy #: _____ Started: _____ Ends: _____

Semi-Annual Report: January to June 2008- Eligibility Activity

In addition, all current ConnPACE members, as well as new applicants from this point forward, received new ConnPACE benefit cards which were mailed out in February 2008. The new cards provide each ConnPACE member with a new identification number that no longer includes any personal information such as a social security number. The new number and new card does not change ConnPACE members' benefits in any way, nor does it impact ConnPACE's coordination with the Medicare Part D Plans. ConnPACE members will no longer receive a new ConnPACE card each year when they renew their benefits. The new cards mailed out in February will be a permanent ConnPACE benefit card. If the situation arises where a ConnPACE member has lost their ConnPACE identification card, they can call the ConnPACE Assistance Center during business hours.

Old ConnPACE ID Card



New ConnPACE ID Card (front)



New ConnPACE ID Card (back)



Semi-Annual Report: January to June 2008- Medicare Part D

For the average monthly 35,643 ConnPACE clients with Medicare Part D, enrollment continued to span across nineteen stand-alone Prescription Drug companies, encompassing fifty-one different coverage plans. Each prescription drug plan has continued to offer an individualized formulary, monthly premium, deductible, and/or prescription coverage during the “donut hole” period.

CT Medicare Rx Plan Companies	19
Medicare Prescription Drug Plans	51

Cost Summary of 2008 Medicare Part D Prescription Drug Plans

Monthly Premium Range	\$14.60 to \$99.50
Standard Deductible	\$275
Plans with No Deductible	31
Plans with Reduced Deductible	4
Generic Prescription Coverage while in the “donut hole”	15 plans

During this reporting period, there were three stand-alone Medicare Part D plans that stood out from others in regards to enrollment numbers for ConnPACE clients. The top Medicare Part D Plan that ConnPACE members were enrolled in was Humana. Approximately 32% of ConnPACE members with Medicare Part D were in one of Humana’s Medicare Part D Plans during this reporting period. The Medicare Part D plan that came in second was AARP/United Healthcare with approximately 25%, followed by Wellcare with about 6%. The other stand-alone Medicare Part D plans had significantly lower numbers of ConnPACE members enrolled in their plans. The top Medicare Advantage Prescription Drug Plan (MAPD) that ConnPACE members were enrolled in was Healthnet. Approximately 17% of ConnPACE members with a Medicare D Plan were enrolled in a Healthnet MAPD.

There were also certain plans that stood out from the others in regards to the premiums paid to the plan for this reporting period. As well as being the plan with the highest number of ConnPACE enrollees, Humana was the plan that received the highest amount in premium payments from the ConnPACE program during this reporting period. Approximately 18% of the ConnPACE Medicare Part D premium expenditures were paid to Humana. Approximately 12% of these expenditures were paid to AARP/United Healthcare; and lastly, around 4% of the premium expenditures went to Healthnet for members enrolled in one of the MAPD plans. These figures correspond relatively to the number of ConnPACE members enrolled in each Medicare D Plan.

Semi-Annual Report: January to June 2008- Medicare Part D



Enrollment in Medicare Part D is required for ConnPACE clients who are Medicare eligible. Extra Help assistance is available for people with lower income and assets. Depending on the level of need, Medicare Part D cost sharing may be reduced. Some ConnPACE clients are eligible for the extra help benefit provided by Medicare, while others will not qualify. During this reporting period, 5,347 clients were eligible for the extra help benefit.

Medicare Part D monthly premiums are fully subsidized by either Medicare, ConnPACE, or a combination of both; and any cost sharing requirements will not exceed the customary ConnPACE \$16.25 per prescription copayment and may be even less. For 2008, Medicare D monthly premiums ranged from \$14.60 to \$99.50; and for this reporting period, ConnPACE paid an average monthly premium of \$20.46 per client.

Semi-Annual Report: January to June 2008- Program Benefits

The ConnPACE Program covers most prescription drugs in the State of Connecticut, plus insulin and insulin syringes. ConnPACE will also pay for most non-formulary prescriptions that are not covered by the client's Medicare Part D Prescription Drug Plan. ConnPACE clients that are eligible for Medicare Part A and/or Part B must enroll in a Medicare Part D Prescription Drug Plan of their choice. ConnPACE subsidizes the monthly Medicare Part D premiums directly to the specific Prescription Drug Plan for these individuals.

The ConnPACE participant pays up to a \$16.25 co-payment for each prescription, and the program reimburses the pharmacy for the remainder. Medicare Part D is the primary payer for the majority of ConnPACE clients, so depending on the plan they are enrolled in and their income status; co-pays are often less than the ConnPACE co-pay. ConnPACE pays towards a Medicare Part D client's deductible, coinsurance, and during the "donut hole" for co-pay costs that exceed \$16.25 per prescription.

The ConnPACE program requires prior authorization for a brand name drug that has at least three (3) Food & Drug Administration (FDA) approved A-rated generic equivalents available; and for an early refill prescription when more than 25% of the medication is remaining.

ConnPACE allows a 30-day supply or 120 units, whichever is greater, to be dispensed up to the prescribed amount. When the client has Medicare Part D coverage, however, dispensing quantities are at the discretion of the primary payer. If a Medicare Part D Plan only allows a 30-day supply, for instance, ConnPACE will not cover the cost of a 60-day supply because the Medicare Part D Plan did not. It will be up to the pharmacy and physician to work with the Medicare Part D Plan to request a prior authorization or exception for quantity limits.

ConnPACE Services Not Covered:

- drugs prescribed for cosmetic purposes, experimental drugs, antihistamines, contraceptives, cough preparations, anti-obesity drugs, multivitamin combinations, smoking cessation gum, over-the-counter preparations
- drugs that the Federal Food and Drug Administration has determined not to be effective (DESI drugs) or vaccines obtained free of charge from the Department of Health Services
- drugs of manufacturers that do not participate in the ConnPACE Drug Rebate Program
- drugs covered by other insurance, lost or destroyed prescription drugs

ConnPACE Manufacturer Non-Rebate Participation Exceptions:

The following drugs continue to be covered by the ConnPACE Program even though the manufacturers do not participate in the ConnPACE Drug Rebate Program:

Benoquin, Canasa Suppositories, Colazal, Dapsone, Efudex, Eldepryl, Mestinon, and Urso

Semi-Annual Report: January to June 2008 - Budget & Expenditures

The ConnPACE Program budget is funded by the State's appropriation, application fees, and manufacturer rebates. Expenditures consist of the subsidies provided for both prescriptions and Medicare Part D premiums.

The ConnPACE Program appropriation for State Fiscal Year 2008 was \$42 million. Medicare Part D has become the primary payer for approximately 62 % of all prescriptions and continues to reduce ConnPACE expenditures dramatically. Manufacturer rebates were received from 327 Drug Manufacturing Labelers with only a slight decrease from last reporting period in the amount received. Manufacturer rebates still remain significantly lower than in prior years due to the impact of non-rebateable Medicare Part D drugs that were not invoiced to manufacturers.

January 1, 2008 through June 30, 2008

Prescription Subsidy	Application Fees	Manufacturer Rebates	Medicare Part D Premium Payments	Total State Net Expenditure
\$15,675,069	\$232,458	\$1,534,570	\$4,375,021	\$18,283,062

The claim volume decreased by approximately 36% from the last six

Total Paid Claims	Average Cost Per Claim	Average Prescription Claim Per Client Per Month
315,447	\$46.69	1.44

month reporting period, but the average cost per claim increased by about \$9.00. On average, each ConnPACE client received 1.44 prescriptions per month, which is a decrease from last reporting period. The decrease in total paid claims this reporting period is probably a result of the new benefit year. Medicare Part D becomes the primary payer at the start of a new year until a beneficiary reaches their "donut hole". Last reporting period included the time frame in which most ConnPACE members would have reached their "donut hole", resulting in ConnPACE being the primary payer for more prescription claims.

The ConnPACE Program requires that generic products be obtained when the brand name drug has at least three FDA approved A-rated generic equivalents available. The ConnPACE Program utilizes both the Federal Allowable Cost and the State Maximum Allowable Cost list for mandatory generic substitution. The beneficiary also benefits because their copays could be less than the \$16.25 ConnPACE Program

Number of Generic Prescriptions	120,910
Cost of Generic Prescriptions	\$1,567,507
Average Cost Per Generic	\$12.96

copay. If the prescriber deems that the patient must have the brand name product, the prescriber must obtain prior authorization from the Department's Prior Authorization agent, Electronic Data Systems (EDS).

Semi-Annual Report: January to June 2008 - Budget & Expenditures

The remainder of the prescriptions subsidized during this period were for brand name prescriptions where generics are not yet available or the prescriber has obtained authorization for a brand name product to be dispensed. There were 41 requests for brand name prescriptions and all 41 requests were approved.

Number of Brand Prescriptions	194,537
Cost of Brand Prescriptions	\$14,107,562
Average Cost Per Brand	\$72.52

Medicare Part D was the primary payer for approximately 62 percent of paid claims. The copay figures represent the states contribution for Medicare Part D prescription copays, plan deductibles, coinsurance, and full prescription payment when clients reached the “donut hole” of the benefit. The decrease in co-pay expenditures can be attributed to the change in time period as well. When a new benefit year begins, Medicare Part D becomes the primary payer for ConnPACE members with a Part D plan until that member reaches their “donut hole”. When Medicare Part D incurs majority of the prescription costs for members, the ConnPACE program’s copay expenditures are expected to decrease. Towards the end of the year, as we will probably see in the next reporting period, these expenditures will increase once again.

Copay Expenditures	\$11,405,276
Copay Claim Count	193,907
Average Cost Per Claim	\$58.82

Medicare Part D requires the Prescription Drug Plans to maintain specific formularies for the Part D beneficiaries. The ConnPACE Program allows ConnPACE clients participating in Medicare Part D to obtain non-formulary drugs. ConnPACE then becomes the primary payer. The increase in non-formulary claims and expenditures may be due to ConnPACE members who switched their plan during the open enrollment period at the end of 2007. Throughout the year, physicians can help their patients obtain prior authorization for non-formulary medications, or they may change the medication to one that is covered. During this reporting period, we received a higher number of non-formulary claims while members were adjusting to their new plans and formularies.

Number of Non-Formulary Rx’s	12,751
Cost of Non-Formulary Rx’s	\$2,398,829
Average Cost Per Non-Formulary Rx	\$188

The top Medicare Part D non-formulary medications submitted to the Department for payment were:

- | | | |
|-----------------------|---------------------|-------------|
| ▪ Aciphex | ▪ Detrol LA | ▪ Oxycontin |
| ▪ Ambien CR | ▪ Diovan/Diovan HCT | ▪ Percocet |
| ▪ Avapro | ▪ Januvia | ▪ Prevacid |
| ▪ Benicar/Benicar HCT | ▪ Lexapro | ▪ Prilosec |
| ▪ Boniva | ▪ Lipitor | ▪ Procrit |
| ▪ Caduet | ▪ Lunesta | ▪ Restoril |
| ▪ Celebrex | ▪ Lyrica | ▪ Tricor |
| ▪ Coreg CR | ▪ Norvasc | ▪ Xalatan |
| ▪ Crestor | ▪ Ondansetron | ▪ Xanax |

Semi-Annual Report: January to June 2008 - Budget & Expenditures

The ConnPACE non-formulary exception process has been underway for over a year and a half now and has continued to be successful. This process started on January 17, 2007, with the Department Pharmacy Technicians reviewing any drug claims designated as non-formulary prescriptions exceeding \$600. Based on the immediate success of this project, additional Pharmacy Technicians have been hired which allowed the dollar threshold to be reduced from \$600 to \$400 in February 2007, and then to \$300 in May of 2007. As the process continued to succeed throughout this reporting period, the dollar threshold was reduced once again to \$250, where it currently stands at this time. As an unexpected benefit, the DSS Pharmacy Unit staff have been able to resolve a number of incorrectly billed claims by requesting the pharmacy to simply reverse the inappropriate claim(s).

The DSS Pharmacy Unit staff can immediately identify Medicare Part D plan formulary options and work with prescribers to change the medication to an alternative formulary drug, file an exception request with the Medicare Part D PDP; or, if necessary, begin the formal Medicare Part D PDP appeals process.

Through daily telephone contact, the Department continues to receive positive feedback on this project from providers. The providers are very receptive to the non-formulary exception process as it saves the state money and helps them manage their large workloads. Our pharmacy technicians' thorough knowledge of medication names and dosages, coupled with establishing key contacts with each of the PDP's, is contributing to making this process work smoothly. For any PDP using a 'plan specific' exception form, the Department has obtained copies for use, as all aspects of this process have been specifically tailored to the policies and requirements of the PDP.

Semi-Annual Report: January to June 2008 - Drug Utilization

Drug utilization by ConnPACE clients remains consistent with the chronic illnesses of the aged and disabled population. Eight drugs are top performers in both the dollar amount paid and the volume of prescriptions purchased as shaded below in yellow.



Top 10 Drugs by Total Amount Paid:

Rank	Drug Name	Total Amount Paid	Number of Prescriptions	Average Amount Paid	Use
1	Nexium 40 mg	\$396,927	5,876	\$99.58	Gastrointestinal
2	Plavix 75 mg	\$346,470	6,657	\$84.49	Anticoagulant
3	Lipitor 20 mg	\$295,331	5,271	\$103.64	Anticholesterol
4	Lipitor 10 mg	\$294,537	7,007	\$69.62	Anticholesterol
5	Prevacid 30 mg	\$273,549	3,765	\$76.27	Gastrointestinal
6	Lipitor 40 mg	\$163,266	3,043	\$98.26	Anticholesterol
7	Zetia 10 mg	\$152,711	3,517	\$58.46	Anticholesterol
8	Spiriva 18 mcg	\$151,447	3,395	\$94.69	Asthma
9	Aricept 10 mg	\$143,952	2,647	\$43.96	Alzheimer's
10	Advair Diskus 250-50 mc	\$142,694	2,594	\$68.06	Asthma
	TOTAL	\$2,360,884	43,772	\$53.94	

Top 10 Drugs by Number of Prescriptions:

Rank	Drug Name	# of Rx	Amount Paid	Average Amount Paid	Use
1	Lipitor 10mg	7,007	\$294,537	\$44.76	Anticholesterol
2	Plavix 75 mg	6,657	\$346,470	\$84.49	Anticoagulant
3	Nexium 40 mg	5,876	\$396,927	\$99.58	Gastrointestinal
4	Lipitor 20 mg	5,271	\$295,331	\$69.62	Anticholesterol
5	Prevacid 30 mg	3,765	\$273,549	\$43.96	Gastrointestinal
6	Zetia 10 mg	3,517	\$152,711	\$58.46	Anticholesterol
7	Spiriva 18 mcg	3,395	\$151,447	\$103.64	Asthma
8	Actonel 35 mg	3,086	\$112,859	\$76.27	Osteoporosis
9	Lipitor 40 mg	3,043	\$163,266	\$68.06	Anticholesterol
10	Lexapro 10 mg	2,923	\$92,976	\$7.94	Anti-Depressant
	TOTAL	44,540	\$2,280,073	\$51.19	

Semi-Annual Report: January to June 2008 - Outreach

For the second half of SFY 2008, the Department continued to provide important information to clients concerning the options for Medicare Part D.

The Department of Social Services continues its collaboration with CHOICES staff throughout the state to provide information and enrollment assistance for Medicare Part D. In addition, the Department continues to work closely with CMS federal officials to stay current on important Medicare Part D benefit updates, as well as participating on conference calls with the



Medicare Part D Prescription Drug Plan organizations to discuss current benefit structure and to analyze the coordination of benefits with the ConnPACE program.

The Medicare Part D Bus made visits to senior centers, pharmacies, farmers markets, health fairs, expositions/conventions, senior housing, community colleges, libraries, and social/human services agencies. The bus works with representatives from various agencies including CHOICES, SSA, Food Stamps, HUSKY, and Department staff, who provide counseling and enrollment assistance into their various programs. The bus traveled to 35 sites between January and June 2008 to assist residents with ConnPACE questions, Medicare Part D program questions and Low Income Subsidy requirements in addition to other DSS programs such as Medicaid, Medicare Savings Program, Food Stamps, Connecticut Home Care for Elders, etc. The Medicare Part D Bus has decreased its activity significantly since last reporting period. Most likely, we will see an increase in activity in the upcoming months due to the Medicare Part D Open Enrollment Period which begins on November 15, 2008.



The Department continues to support <http://www.connpace.com> to make program information, applications, brochures, semi-annual reports to the Governor, and links to other related sites more widely available. The ConnPACE website was last updated in March 2008 with updates to the ConnPACE eligibility requirements, Medicare Part D information, and other important program information.

State Fiscal Year 2008: January 2008 to June 2008 – Reflections

We are now approaching the second half of 2008. It is important to look at the changes the ConnPACE program has experienced throughout 2008 so far; and it is also important to look forward at new things to come. Effective January 1, 2008, the new income limits for ConnPACE eligibility were released allowing more individuals to qualify for the ConnPACE program. The new income and asset limits for Social Security's low income subsidy/"extra help" benefit with Medicare Part D were released on April 1, 2008. These new limits are explained in detail on page one of this report.

In February 2008, ConnPACE clients received new identification cards for their ConnPACE benefits. An image of the new identification cards can be seen on page one of this report. Each ConnPACE member was assigned a new identification number that no longer includes any personal information such as a social security number. ConnPACE members will no longer receive a new card every year when they renew their benefits. The new cards mailed out in February 2008 will be permanent identification cards.

The new benefit year brought changes in the Prescription Drug Plan Companies and the different plans they offered. The number of Medicare Part D companies decreased from twenty-one in 2007 to nineteen for 2008. The number of plans remained at fifty-one, but the plans and companies offering them did change. ConnPACE members who opted to change their Medicare Part D plan during the open enrollment period at the end of 2007 were enrolled with their plans effective January 1, 2008. The Medicare Part D Plans that will be offered in 2009 are expected to be available between September and October 2008 on the Medicare website, www.medicare.gov.

The time for our fourth open enrollment period is approaching. It will begin on November 15, 2008, and will remain in effect until the end of December 2008. This time of year allows those who are Medicare eligible to enroll in a Part D Plan or to switch out of their current Medicare D Plan into one that better suits their individual needs. Beneficiaries who take advantage of the open enrollment period this year will be enrolled into their new plans with an effective date of January 1, 2009.

The Department continues the commitment to ensure that all ConnPACE beneficiaries receive timely, affordable, and comprehensive coverage under the federal Medicare Part D program. For 2008, ConnPACE has continued to provide wrap around coverage with Medicare Part D just as it did in previous years. The wrap around coverage includes benefits such as monthly Medicare Part D premium assistance, assistance with out-of-pocket costs for prescriptions which exceed the current ConnPACE co-payment of \$16.25, and coverage of non-formulary prescription drugs through the ConnPACE non-formulary exception process.

State Fiscal Year 2008: July 2007 to June 2008 – Annual Synopsis

For the entire state fiscal year period, there was an average of 37,379 clients that received subsidized costs of \$34,239,763 for 807,061 paid prescription claims through the ConnPACE Program, as well as Medicare Part D premium payments totaling \$8,203,096.

▪ ConnPACE Renewal Applications - Received	34,777
▪ ConnPACE New Applications - Received	7,435
▪ ConnPACE Participant Telephone Inquiries - Received	60,062
▪ Average Monthly ConnPACE Enrollees - Elderly	32,528
▪ Average Monthly ConnPACE Enrollees - Disabled	4,851
▪ Total Unduplicated Average Monthly ConnPACE Enrollees	37,379
▪ ConnPACE Enrollees ending June 30, 2008 - Elderly	31,283
▪ ConnPACE Enrollees ending June 30, 2008 - Disabled	4,548
▪ Total Unduplicated ConnPACE Enrollees ending June 30, 2008	35,831
▪ Amount of Paid Claims - Elderly	677,931
▪ Amount of Paid Claims - Disabled	129,130
▪ Total Amount of Paid Claims	807,061
▪ Amount of Gross Expenditures – Elderly	\$24,956,889
▪ Amount of Gross Expenditures – Disabled	\$9,282,874
▪ Total Amount of Paid Claim Expenditures	\$34,239,763
▪ Average Claim Per Participant Per Month - Elderly	1.74
▪ Average Claim Per Participant Per Month - Disabled	2.22
▪ Total Average Claim Per Participant Per Month	1.80
▪ Average Cost Per Claim – Elderly	\$36.81
▪ Average Cost Per Claim – Disabled	\$71.89
▪ Total Average Cost Per Claim	\$42.43
▪ Total Generic Prescriptions	369,026
▪ Total Brand Prescriptions	438,035
▪ Total All Prescriptions	807,061
▪ Annual Prescription Subsidy	\$34,239,763
▪ Annual Medicare Part D Premium Payments	\$8,203,906
▪ Annual ConnPACE Participant Fees Received	\$666,258
▪ Annual Manufacturer Rebates Received	\$3,096,416
▪ State Fiscal Year 2008 Net Expenditures	\$38,680,995

State Fiscal Year 2008: July 2007 to June 2008 – Annual Synopsis

Drug utilization by ConnPACE clients remains consistent with the chronic illnesses of the aged and disabled population. Eight drugs are top performers in both the dollar amount paid and the volume of prescriptions purchased as shaded below in yellow. All eight are brand products with no generics available.



Top 10 Drugs by Total Amount Paid: Annual

Rank	Drug Name	Total Amount Paid	Number of Prescriptions	Average Amount Paid	Use
1	Nexium 40mg	\$1,071,339	12,707	\$84.31	Gastrointestinal
2	Plavix 75 mg	\$981,787	14,227	\$69.01	Anticoagulant
3	Lipitor 20 mg	\$731,914	11,589	\$63.16	Anticholesterol
4	Prevacid 30 mg	\$724,076	8,140	\$88.95	Gastrointestinal
5	Lipitor 10 mg	\$691,879	15,945	\$43.39	Anticholesterol
6	Zetia 10 mg	\$425,473	8,226	\$51.72	Anticholesterol
7	Aricept 10 mg	\$420,750	5,478	\$76.81	Alzheimer's
8	Lipitor 40 mg	\$414,678	6,591	\$62.92	Anticholesterol
9	Advair Diskus 250-50 mcg	\$412,367	5,472	\$75.36	Asthma
10	Spiriva 18 mcg	\$403,472	7,124	\$56.64	Asthma
TOTAL		\$6,277,735	95,499	\$65.74	

Top 10 Drugs by Number of Prescriptions: Annual

Rank	Drug Name	# of Rx	Amount Paid	Average Amount Paid	Use
1	Lipitor 10mg	15,945	\$691,879	\$43.39	Anticholesterol
2	Plavix 75 mg	14,227	\$981,787	\$69.01	Anticoagulant
3	Nexium 40 mg	12,707	\$1,071,339	\$84.31	Gastrointestinal
4	Lipitor 20 mg	11,589	\$731,914	\$63.16	Anticholesterol
5	Zetia 10 mg	8,226	\$425,473	\$51.72	Anticholesterol
6	Prevacid 30 mg	8,140	\$724,076	\$88.95	Gastrointestinal
7	Fosamax 70 mg	7,749	\$329,029	\$42.46	Osteoporosis
8	Spiriva 18 mcg	7,124	\$403,472	\$56.64	Asthma
9	Actonel 35 mg	6,750	\$272,292	\$40.34	Osteoporosis
10	Lipitor 40 mg	6,591	\$414,678	\$62.92	Anticholesterol
TOTAL		99,048	\$6,045,939	\$61.04	

State Fiscal Year 2008: July 2007 to June 2008 – Annual Synopsis

A 2007/2008 comparison of Connecticut's Medicare Part D PDP benefits is as follows:

Medicare Part D Connecticut Comparison	Calendar Year	Calendar Year
	2007	2008
Prescription Drug Plan Companies	21	19
Prescription Drug Plans	51	51
Benchmark Plans (Premium ≤ \$32.07/month for 2007- Premium ≤ 29.17/month for 2008)	15	14
No Deductible Plans	31	31
Reduced Deductible Plans	4	4
Standard Deductible Plans	16	16
Generic Drug Coverage Gap	13	15
Generic/Brand Drug Coverage Gap	2	0
Monthly Premium Range	\$16.90 to \$87.40	\$14.60 to \$99.50
Deductible Range	\$265	\$275

ConnPACE Historical Comparison on an annual basis by end of State Fiscal Year:

As of June 30,	2004	2005	2006	2007	2008
• Average # of Enrollees	48,196	49,340	45,838	39,429	35,831
• # of Prescriptions	1,163,146	991,925	995,943	990,023	807,061
• Rebate Dollars	\$22,409,851	\$32,009,150	\$30,175,385	\$11,368,216	\$3,096,416
• Net Expenditures	\$75,271,562	\$60,517,109	\$64,279,927	\$29,985,074	\$38,680,995

Any questions or comments pertaining to information contained within this report may be addressed to:

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