

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 1, 2006 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Sandy Praeger, Commissioner, Department of Insurance
Kathryn Coleman, Centers for Medicare and Medicaid (CMS), US Department of Health and Human Services
Nancy Schmidt, CMS, US Department of Health and Human Services
John Kiefhaber, Executive Director, Kansas Pharmacists Association
Mike Conlin, Pharmacist/Owner, Jayhawk Drug

Others attending:

See attached list.

- Attachment 1 Format for Budget Committee Reports
- Attachment 2 Testimony on Medicare Part D by Sandy Praeger
- Attachment 3 Testimony on **SB 405** by Sandy Praeger
- Attachment 4 Overview of Medicare Part D Prescription Drug Program by Legislative Research Department
- Attachment 5 Testimony on Medicare Part D by Kathryn Coleman
- Attachment 6 Testimony on Medicare Part D by John L. Kiefhaber
- Attachment 7 Testimony on Medicare Part D by Mike Conlin

Representative Gatewood moved to introduce legislation to create a position in the Attorney General's Office for a worker compensation fraud investigator and for the creation of an "800" number for receiving fraud complaints. The motion was seconded by Representative Lane. Motion carried.

Representative Schwartz moved to introduce legislation regarding a veterinary training program for rural Kansas. The motion was seconded by Representative Powell. Motion carried.

Representative Schwartz moved to introduce legislation regarding disposal of property by the Department of Wildlife and Parks. The motion was seconded by Representative Powell. Motion carried.

Representative Henry moved to introduce legislation regarding a horticultural industry survey. The motion was seconded by Representative Bethell. Motion carried.

Representative Pottorff moved to introduce legislation pertaining to a patient navigator for cancer patients. The motion was seconded by Representative Feuerborn. Motion carried.

Chairman Neufeld distributed and explained a format for Budget Committees to follow in presenting Budget Committee recommendations and reports which will include a comparison of the baseline budget in addition to the Governor's budget in each report (Attachment 1).

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 1, 2006 in Room 514-S of the Capitol.

Representative Landwehr moved that the Committee adopt the format to include the baseline budget in all Budget Committee recommendations and reports. The motion was seconded by Representative Gatewood. Motion carried.

Chairman Neufeld recognized Sandy Praeger, Commissioner of Insurance, who presented testimony with regard to the Medicare Part D program. The Commissioner distributed copies of a letter written to President George Bush, a press release and list of the forty-one insurance companies offering prescription drug coverage through the Medicare Part D program in the state of Kansas (Attachment 2). Also included with her testimony is a copy of testimony in support of **SB 405** (Attachment 3). Commissioner Praeger stated that the letter to the President relays some of the confusion associated with the new Prescription Drug Program regarding the implementation deadlines for the program, the penalty clause attached to the program and general confusion in the details of the program. Some of the problems associated with the program that have been relayed to the Insurance Department include those individuals who have signed up for the benefit but have not received a prescription drug card to present to their pharmacy; phone lines being clogged for hours upon hours; pharmacists not being able to confirm the patient's enrollment and eligibility.

With reference to **SB 405**, Commissioner Praeger stated that the intent of this legislation is to require any plan authorized to do business in Kansas, to register with the Kansas Insurance Department so that their staff can better serve the citizens of Kansas. This will alleviate the need to call the Center for Medicare and Medicaid Services (CMS) to get answers to many consumer questions. At the present time, insurance companies will not answer questions from the Insurance Department because they feel that CMS is regulating the program.

Responding to a question from the Committee, Commissioner Praeger stated that there is no cap on the 1 percent penalty assessed on eligible participants who fail to secure prescription drug coverage by the deadline of May 15th. The funds collected from this penalty will be directed to CMS. The Committee noted that there is confusion among constituents with regard to who to call for assistance.

Commissioner Praeger stated that the following items need attention and clarification:

- Extension of the May 15th deadline.
- Congress needs to address the confusion and complexities of the program.
- Clarification of who has access to information and can answer consumer questions.

The Chair thanked Commissioner Praeger for her presentation.

Audrey Dunkel, Legislative Research Department, presented an overview of the Medicare Part D program as it affects Medicare recipients, low-income assistance, availability of drug plans, financing Medicare Part D and the impact of the Medicaid clawback provision (Attachment 4).

- The Committee requested information on the actual cost paid by the State, for prescription drugs for Medicaid eligible participants during the past couple of years.

Chairman Neufeld recognized Kathryn Coleman, Medicare Prescription Drug Education Campaign Manager for the Kansas City Regional Office of the Center for Medicare and Medicaid Services (CMS), who, in conjunction with Nancy Schmidt, Health Insurance Specialist in the Division of Medicare Operations, presented testimony on the Medicare Part D program (Attachment 5). Ms. Coleman stated that there are a number of problems associated with the start-up of the new program; however, felt that the program is working for the majority of participants. Ms. Coleman indicated that most of the problems are associated with the dual-eligibles.

CMS is committed to resolving the problems. Ms. Coleman stated that a new computer system was installed to allow pharmacies to verify eligibility in less than a second. In addition, a toll-free pharmacy help line was established to allow pharmacists to check for participants eligibility. CMS also directed the insurance plans to increase their customer service lines for participants and pharmacists. Ms. Coleman acknowledged that there have been long waits on the phone; however, stated that part of this problem was caused by the E-1 transaction system provided to pharmacists not always working properly. Another problem has been with the lack of staff to answer the number of phone calls.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 1, 2006 in Room 514-S of the Capitol.

Ms. Coleman stated that CMS is launching a new training and information initiative specifically for pharmacists, directed at sharing new information, providing specific information on using the computer transaction system and the enrollment process. CMS has announced a temporary reimbursement plan that will enable States to be fully reimbursed for their efforts to help ensure that their dual eligible beneficiaries have access to their covered drugs.

Ms. Coleman felt that the Medicare Part D Prescription Plan is important and a step in the right direction for many people who have never had coverage for their medications. Ms. Coleman stated that CMS is working to reduce wait time, provide additional support to pharmacists and working to develop a partnership with the State's eligible participants. Responding to Committee questions, Ms. Coleman stated that the 1 percent penalty clause as prescribed by federal statute. The Committee expressed concern that the penalty clause applied to the individual; however that there is no penalty against the insurance company who does not provide adequate service to their enrollees. The Committee felt it is important to track the performance of the insurance companies. With regard to the dual eligibles, CMS will reimburse the State for administrative costs, at the same Medicaid rate as reimbursed before the implementation of the new program, and cover any excessive costs that the State has paid for a particular beneficiary for a particular drug. Ms. Schmidt noted that the cut-off date, at the present time, for this reimbursement is February 15th.

Ms. Coleman provided the following assistance information:

E-mail: partdissues@cms.hhs.gov

Fax number: 1-816-426-7604

Telephone: 1-816-426-5783

Telephone: 1-800-Medicare (these requests for assistance are sent to CMS on an hourly basis.)

- The Committee requested additional information on the wait time associated with phone calls and information as to whether there has been improvement since implementation of the program.

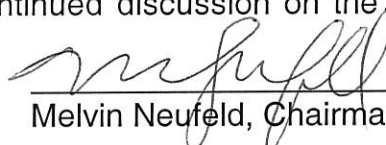
The Chair recognized John Kiefhaber, Executive Director, Kansas Pharmacists Association, who presented testimony concerning the Implementation of Medicare Part D in Kansas and the problems encountered in the implementation of the program (Attachment 6). Mr. Kiefhaber stated that he supports **SB 405**.

Chairman Neufeld recognized Mike Conlin, owner and pharmacist of Jayhawk Pharmacy and Patient Supply in Topeka, who provided testimony on the problems experienced by the pharmacists in connection with the Medicare Part D Prescription Drug program (Attachment 7). Included in his testimony is a list of pharmacies who are members of the Kansas Pharmacists Association and located in each Committee member's district. Mr. Conlin stated that problems associated with the Prescription Drug program have caused a financial crisis for pharmacies across the State.

Mr. Conlin stated that he had spent numerous hours on the telephone waiting for assistance from the call centers to confirm a patients eligibility. He felt that the call centers' staffs were undertrained and understaffed. Mr. Conlin stated that, as of today, he has not received any payment from any of the Medicare drug plans or the State of Kansas. This has caused a cash-flow problem and resulted in the necessity for him to seek a loan from his banker in order to meet his obligations. He noted that Jayhawk Pharmacy is not listed as a participant in the Prescription Drug program on CMS's website and he challenged CMS to update their files to give equal representation to all pharmacies in Kansas.

Mr. Conlin felt that many local Kansas pharmacies will not survive the problems associated with the Medicare Part D Prescription Drug program unless there are improvements and changes in the program.

The meeting was adjourned at 10:55 a.m. with continued discussion on the Medicare Part D Program to held at 9:00 a.m. on February 2, 2006.


Melvin Neufeld, Chairman

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$22,831,495, including \$10,404,396 from the State General Fund. The approved budget was reduced by a net total of \$865,420, including \$341,211 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$749,482 in salary adjustments, and \$167,412 in one-time adjustments, partially offset by an increase of \$51,474 for debt service payments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$11,168,250	\$25,177,487
Baseline Budget	10,063,185	21,966,075
Dollar Difference	<u>\$ 1,105,065</u>	<u>\$ 3,211,412</u>
<i>Percent Difference</i>	9.9%	12.8%

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 454,425	\$1,245,496
Upgrade to Computer System	396,295	1,234,430
New Vehicle Purchases	175,590	596,160
Other Net Adjustments	78,755	135,326
TOTAL	<u>\$1,105,065</u>	<u>\$3,211,412</u>

HOUSE APPROPRIATIONS

DATE 2-01-2006
ATTACHMENT 1



Kansas Insurance Department

Sandy Praeger COMMISSIONER OF INSURANCE

January 19, 2006

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

RE: The Medicare Part D Enrollment Deadline

Dear Mr. President:

I commend your leadership in creating the first major expansion of the Medicare program since its inception. The Medicare Prescription Drug Program will provide significant assistance to our over-65 population and ensure that no one has to choose between food and medicine. However, I am concerned that the timetable for implementing the program is overly ambitious, and over the past few months those concerns have only intensified.

On September 22, 2005, several Congressional House members introduced The Medicare Informed Choice Act of 2005 (HR 3861), which provides for extended and additional protection to Medicare beneficiaries who enroll for the Medicare prescription drug benefit program during 2006. The resolution calls for a delay in the enrollment deadline to the end of the year 2006.

The National Association of Insurance Commissioners has also expressed concern to the Centers for Medicare and Medicaid Services (CMS) on several occasions over the past several months regarding the implementation deadlines for the program, specifically the deadline for enrollment. On October 7, 2005, well in advance of the start date for enrollment, the Association sent a letter to CMS requesting a delay in the enrollment deadline to December 31, 2006.

420 SW 9TH STREET
TOPEKA, KANSAS 66612-1678

PHONE 785.296.3071
FAX 785.291.3673

CONSUMER HO
1.800.432.24

HOUSE APPROPRIATIONS

DATE 2-01-2006
ATTACHMENT 2

The Honorable George W. Bush
January 19, 2006
Page Two

Since January 1, our Consumer Assistance Division has received numerous complaints and calls from Medicare beneficiaries who are experiencing a variety of problems related to their enrollment in the program. These individuals are reporting that they (1) have submitted applications but have not received their identification cards or confirmation of their coverage, (2) are being placed on hold for hours or not receiving return calls when attempting to contact their plan sponsors and CMS at 1-800-MEDICARE, (3) are unable to obtain their prescriptions because the pharmacies are unable to electronically confirm that they have Part D coverage, and (4) are being limited on the number of doses in a refill, i.e., 14 days rather than 30.

It is understandable that there will be start-up problems with a program of this magnitude. Therefore, on behalf of our Kansas citizens, I am asking that you encourage Congress to delay implementation of the part D prescription drug program until the end of 2006. It is clear that the implementation of this new program is creating demands and delays that are preventing Medicare beneficiaries from obtaining assistance with their questions and concerns and making it difficult for them to obtain the medications they need. In addition, because of the May 15 deadline, we are concerned that individuals are being rushed to wade through the complex and extensive information about the program and are feeling pressured to select a plan, from the many alternatives available to them, which may or may not be the best choice for their needs. Finally, there are those individuals who are so confused and overwhelmed by the choices presented to them they are in danger of being financially penalized if they fail to sign up by the May 15 deadline.

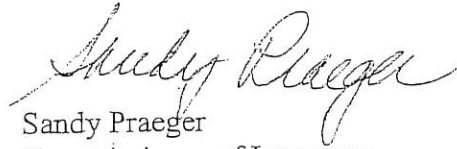
I also hope that as this program evolves, CMS will take the lead in creating some uniformity in the numerous plans in order to eliminate some of the confusion. One group of individuals in particular, the "dual eligibles," is currently experiencing some very real problems with access to their medications. These are individuals, over age 65, who are eligible for both Medicare and Medicaid because of their income levels. These individuals, who had previously received pharmacy benefits from the state-run Medicaid program, have automatically and randomly been enrolled in one of the private prescription plans through the Medicare program. In some cases, the plan to which these individuals were assigned does not include the drugs they require and they must now go through the difficult and confusing process of changing plans.

Our Consumer Assistance representatives are also receiving reports that these individuals are being asked to pay unnecessary or inappropriate deductibles and co-payments or are being told that their pharmacists cannot confirm their enrollment and eligibility. Some of these individuals are in our state's skilled nursing facilities and these problems are adding an additional administrative burden on the caregivers in these facilities.

The Honorable George W. Bush
January 19, 2006
Page Three

Mr. President, it is my hope that by working together we can find ways to improve upon this program, which does add new and very important benefits to our Medicare program. The National Association of Insurance Commissioners will continue to dialogue with representatives of CMS and your administration regarding these concerns, but we ask that you take immediate action on behalf of our Kansas seniors, and all seniors throughout the country, who are currently trying to decide what they should do. Giving them and their families more time to feel comfortable with their decision isn't too much to ask.

Sincerely,



Sandy Praeger
Commissioner of Insurance

cc: Senator Pat Roberts
Senator Sam Brownback
Congressman Jerry Moran
Congressman Jim Ryun
Congressman Dennis Moore
Congressman Todd Tiahrt
Governor Kathleen Sebelius
Senate President Steve Morris
Speaker Doug Mays
Fred Schuster, Regional Administrator, HHS



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger

COMMISSIONER OF INSURANCE

FOR IMMEDIATE RELEASE

January 19, 2006

For more information, contact:

Charlene Bailey
Public Information Officer
785-296-7807 (office)

Commissioner Sandy Praeger Issues Statement Calling On President For Help With Medicare Drug Plan

TOPEKA, KS. We have serious problems with Medicare Part D. As you know, the Medicare Prescription Drug Program was signed into law by President Bush in 2003; it was the first major expansion of the Medicare program since its inception in the mid-60's. The Plan holds much promise and I salute the President for his leadership on this issue.

However, experience has now shown us that we need to modify Part D. My office and other government offices have been receiving hundreds of phone calls. Virtually all of the problems I am hearing about relate to the January 1, 2006 sign up bottleneck. Here is a list of the most common issues:

- Beneficiary has submitted an application, but has still not received a card or other confirmation of coverage.
- Phone lines have been clogged, with people reporting being on hold for hours. Those who have left voicemails are not getting call-backs. We've heard of this happening with calls to the Part D carriers, as well as calls to 1-800-MEDICARE.
- Beneficiaries who have an ID card, but the pharmacy is unable to confirm the coverage via computer.
- Dual eligibles are being charged deductibles or co-pays. *
- Dual eligibles are not in the pharmacist's computer. *
- People are being limited on the number of doses in a refill (14 days vs. 30).

Today, on behalf of our Kansas consumers, I am urging the President, to promote legislation in the Congress that would delay the implementation of that part of Medicare Part D that would penalize Medicare beneficiaries for not signing up for the program by May 15, 2006.

Under the current federal regulations, anyone who is eligible now that does not sign up by the May 15 deadline will pay 1% more for each month they delay. Given the issues we now face, that would be unfair and would create yet another logjam that could overwhelm the system.

--more --

2-4

To ensure that I have the ability to act on behalf of Kansas beneficiaries, today in the Kansas Senate I requested the introduction of legislation that would require plans to register with the Kansas Insurance Department, giving us the ability to advocate for our senior consumers on problems related to Medicare Part D.

It is my hope that by working together we can find ways to improve upon this program, which does add new very important benefits to our Medicare program. To all Kansas seniors, I say please call my office at 1-800-432-2484 and I will help you in anyway I can.

* Dual eligibles are individuals over 65 who are eligible for Medicare and because of their income they are also eligible for Medicaid.

###

About the Kansas Insurance Commissioner

Sandy Praeger, Kansas Insurance Commissioner, oversees the activities of the Kansas Insurance Department (KID) which is headquartered in Topeka, Kansas. The overriding objective of Commissioner Praeger and KID is to protect consumers, and help maintain the financial stability of the insurance industry. KID regulates and monitors the activities of 23,000 resident agents, 48,000 non-resident agents and 1684 insurance companies licensed to do business in the state of Kansas. The Department offers financial, actuarial, legal, computer, research, market conduct and economic expertise. Visit www.ksinsurance.org for more information.



[Home](#) | [Screen Reader Version](#) | [Printable-Version](#) | [Español](#)

The Official U.S. Government Site for People with Medicare

[Help](#) | [Frequently Asked Questions](#) | [Mailing List](#) | [Search Tools](#)

[Use Larger Font](#) |

[Vea en Español](#)

Find a Medicare Prescription Drug Plan

[Help](#) [Mailing List](#) [Printable-Version](#) [Glossary](#)

[Prescription Drug Plan Finder](#)

[Learn How Plans Work](#)

[Plans In Your State](#)

State By State Plans

Please specify your search criteria:

State/Territory:

State By State Plans Results

Prescription Drug Plans: (Click here to hide information)

Below is a list of plans in **Kansas**.

Contract ID	Company	Number of Plans	Monthly Premium	Annual Deductible	Customer Service Phone Number	Customer Service Address
S4802	Sterling Prescription Drug Plan	<u>1</u>	\$53.83	\$100	1-888-858-8572 TTY Users should call: 1-888-858-8567 MON - FRI: 5.00 AM - 5.00 PM Pacific	P.O. Box 1917 Bellingham, WA 98227
					1-800-845-2551 TTY Users	

2-6

S5581	Marquette National Life Insurance Company	<u>3</u>	\$40.05 - \$67.88	\$0 - \$250	<p>should call: 1-866-222-3904</p> <p>MON - FRI: 8.00 AM - 8.00 PM Eastern SAT: 9.00 AM - 6.00 PM Eastern SUN: 10.00 AM - 6.00 PM Eastern</p>	PO Box 1232 Pensacola, FL 32591
S5597	Pennsylvania Life Insurance Company	<u>3</u>	\$30.60 - \$51.25	\$0 - \$250	<p>1-800-765-8900 TTY Users should call: 1-866-222-3904</p> <p>MON - FRI: 8.00 AM - 8.00 PM Eastern SAT: 9.00 AM - 6.00 PM Eastern SUN: 10.00 AM - 6.00 PM Eastern</p>	PO Box 1232 Pensacola, FL 32591
S5601	SilverScript	<u>2</u>	\$28.90 - \$57.56	\$100 - \$250	<p>1-866-552-6106 TTY Users should call: 1-866-552-6288</p> <p>MON - FRI: Available 24 Hours SAT: Available 24 Hours SUN: Available 24 Hours</p>	P.O. Box 688 Mahwah, NJ 07430
S5617	CIGNA HealthCare	<u>3</u>	\$34.27 - \$47.22	\$0 - \$250	<p>1-800-735-1459</p> <p>MON - FRI: 8.00 AM - 11.00 PM Eastern</p>	13650 NW 8th St Sunrise, FL 33325

2-7

S5660	Medco Health Solutions, Inc.	<u>1</u>	\$32.34	\$250	1-800-758-3605 TTY Users should call: 1-800-716-3231 MON - FRI: 8.00 AM - 8.00 PM Eastern SAT: 8.00 AM - 6.00 PM Eastern	P. O. BOX 630246 IRVING, TX 75063
S5670	Coventry AdvantraRx	<u>3</u>	\$21.20 - \$45.29	\$0	1-800-882-3822 TTY Users should call: 1-800-508-9548 MON - FRI: 8.00 AM - 6.00 PM Central	P.O. Box 686007 San Antonio, TX 78268
S5726	Blue MedicareRx	<u>3</u>	\$21.09 - \$35.91	\$0 - \$250	1-877-471-4121 MON - FRI: 8.00 AM - 6.00 PM Eastern	P.O. Box 34160 Louisville, KY 40232
S5755	United American Insurance Company	<u>1</u>	\$36.07	\$0	1-866-524-4169 TTY Users should call: 1-866-524-4170 MON - FRI: 7.00 AM - 6.30 PM Central	3700 S. Stonebridge Drive McKinney, TX 75070
S5803	MEMBERHEALTH	<u>3</u>	\$30.41 - \$42.42	\$100 - \$250	1-866-684-5353 TTY Users should call: 1-866-684-5351 MON - FRI: 7.00 AM - 10.30 PM Eastern SAT: 7.00	1 CSC WAY Rensselaer, NY 12144

2-8

						AM - 10.30 PM Eastern
S5810	Aetna Medicare	<u>3</u>	\$34.97 - \$60.83	\$0 - \$250		1-800-445-1796 TTY Users should call: 1-800-628-3323 MON - FRI: 8.00 AM - 5.00 PM Central
S5820	United Healthcare	<u>2</u>	\$29.16 - \$31.56	\$0		1-888-867-5564 TTY Users should call: 1-877-730-4192 MON - FRI: 8.00 AM - 8.00 PM Eastern SAT: 8.00 AM - 5.00 PM Eastern
S5884	Humana Inc.	<u>3</u>	\$9.48 - \$54.20	\$0 - \$250		1-800-706-0872 TTY Users should call: 1-877-833-4486 MON - FRI: 8.00 AM - 6.00 PM Central
S5921	PacifiCare Life and Health Insurance Company	<u>3</u>	\$29.30 - \$48.06	\$0		1-800-943-0399 MON - FRI: Available 24 Hours SAT: Available 24 Hours SUN: Available 24 Hours
S5960	Unicare	<u>3</u>	\$21.09 - \$37.62	\$0 - \$250		1-866-892-5335 MON - FRI: Oxnard, CA

2-9

					8.00 AM - 6.00 PM Central	93031
S5967	WellCare	<u>3</u>	\$26.64 - \$48.81	\$0	1-888-423-5252 MON - FRI: 8.00 AM - 6.00 PM Central	8735 Henderson Blvd. Tampa, FL 33634

Medicare Advantage Prescription Drug Plans: (Click here to hide information)

Below is a list of plans in **Kansas**.

Contract ID	Company	Number of Plans	Customer Service Phone Number	Customer Service Address
H1716	Humana Insurance Company	<u>1</u>	1-800-833-2364 TTY Users should call: 1-877-833-4486 MON - FRI: 8.00 AM - 6.00 PM Central	500 West Main Street Louisville, KY 40202
H1717	United Healthcare Insurance Company	<u>1</u>	1-316-291-3646 TTY Users should call: 1-888-685-8480 MON - FRI: 8.00 AM - 5.00 PM Central	250 N. Kansas, Attn. Rod Turner Wichita, KS 67214
H1804	Humana Insurance Company	<u>3</u>	1-800-833-2312 TTY Users should call: 1-877-833-4486 MON - FRI: 8.00 AM - 6.00 PM Eastern	500 West Main Street Louisville, KY 40202
H2649	Humana Health Plan, Inc.	<u>2</u>	1-800-833-2364 TTY Users should call: 1-877-833-4486 MON - FRI: 8.00 AM - 6.00 PM Central	500 West Main Street Louisville, KY 40202
H2672	Coventry Health Care of Kansas, Inc.	<u>2</u>	1-866-533-5160 TTY Users should call: 1-866-347-2459 MON - FRI: 8.00 AM	8320 Ward Parkway Kansas City, MO 64114

2-10

			- 5.00 PM Central	
H5509	Coventry Health And Life Ins. Company	<u>2</u>	1-866-533-5160 TTY Users should call: 1-866-347-2459 MON - FRI: 8.00 AM - 5.00 PM Central	8320 Ward Parkway Kansas City, MO 64114
R5826	Humana Insurance Company	<u>2</u>	1-800-833-2364 TTY Users should call: 1-877-833-4486 MON - FRI: 8.00 AM - 6.00 PM Central	500 West Main Street Louisville, KY 40202

Medicare Advantage Special Needs Plans: (Click here to hide information)

Below is a list of plans in **Kansas**.

Contract ID	Company	Number of Plans	Customer Service Phone Number	Customer Service Address
H1717	United Healthcare Insurance Company	<u>1</u>	1-316-291-3646 TTY Users should call: 1-888-685-8480 MON - FRI: 8.00 AM - 5.00 PM Central	250 N. Kansas, Attn. Rod Turner Wichita, KS 67214

[< Return to Previous Page](#)

Page Last Updated: November 22, 2005

 [Top of page](#)

[Frequently Asked Questions](#) | [Contact Us](#) | [Website Privacy](#) | [Website Policies](#)
[Freedom of Information Act](#) | [FirstGov.gov](#)

Centers for Medicare & Medicaid Services | U.S. Department of Health and Human Services

162

2-11



K a n s a s I n s u r a n c e D e p a r t m e n t

Sandy Praeger COMMISSIONER OF INSURANCE

EXPLANATION OF SB 405

February 1, 2006

Senate Bill 405 would amend our foreign company statute to allow for the registration of Prescription Drug Plans. As you know, these companies are selling Medicare Part D plans to our Kansas seniors. The intent of this legislation is to require any plan authorized to do business in Kansas to register with our Department so that our staff is better able to serve your constituents.

Without this legislation our department would have only the current information available on the Centers for Medicare and Medicaid Services (CMS) website, and it would be incumbent upon us to check the CMS website for updates.

With this legislation, we will be able to answer questions for our Kansas consumers. Given the testimony you heard last week from the pharmacists, we want the opportunity to assist and not force consumers to call a 1-800 number at CMS. I don't think we want to put our Kansas seniors in that situation.

As you will notice the bill allows for the Commissioner to accept different solvency standards than the requirements set forth in Kansas statutes, so long as those standards are in accordance with federal law. This is because the solvency standards adopted by Congress are not the same as the solvency standards we have in Kansas. Therefore, we must allow the Prescription Drug Plans to operate in Kansas by a different set of standards.

In general, our net worth requirement (capital plus surplus) is \$1.5 million or less, which is consistent with the CMS requirements. However, the problem is that we also have certain rules under statutory accounting and NAIC requirements that dictate what is considered an admitted asset or appropriate investments and what is not, but under the federal guidelines we would not be able to impose those same requirements on the PDPs. Federal guidelines also say that the PDPs may use either GAAP or statutory accounting which is inconsistent with our requirements.

In addition, our statute requires foreign companies to be in business for three years and be the subject of a financial exam that has been finalized and reported. Federal guidelines allow companies that have been in business even less than a year to qualify as PDPs under certain circumstances.

HOUSE APPROPRIATIONS

420 SW 9TH STREET
TOPEKA, KANSAS 66612-1678

PHONE 785.296.3071
FAX 785.296.2283

CONSUMER HOTLINE
1.800.432.2484

DATE 2-01-2006
ATTACHMENT 3

In summary, the PDPs are required to have \$1.5 million of net worth but what is included in that \$1.5 may or may not qualify under the requirements we place on regular insurance companies.

This legislation is intended to help the consumers of Kansas by offering our office as a place to voice their concerns rather than having to call CMS.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

545N-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ♦ FAX (785) 296-3824

kslegres@klrd.state.ks.us

http://www.kslegislature.org/klrd

January 25, 2006

MEDICARE PART D—THE NEW MEDICARE PRESCRIPTION DRUG BENEFIT

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) (P.L. 108-173) was enacted December 8, 2003, creating the new Medicare Part D prescription drug benefit, effective January 1, 2006. The new Medicare Part D plan requires that every Medicare beneficiary have access to prescription drug coverage. Passage of Part D was prompted by the rising cost of prescription drugs and the growing concern about seniors without drug coverage.

As of January 1, 2006, the drug benefits offered by Part D are provided by private insurance plans for a monthly premium, estimated at an average cost of \$32.20 per month (\$386 per year) by the Centers for Medicare and Medicaid Services (CMS). Under the standard benefit, beneficiaries pay:

- The first \$250 in drug costs as a deductible;
- 25.0 percent of drug costs between \$250 and \$2,250;
- 100.0 percent of drug costs between \$2,250 and \$5,100, often referred to as the "hole in the doughnut"; and
- An annual limit of no more than \$3,600 for out-of-pocket expenses.

Plans are allowed to use cost management tools like tiered cost-sharing arrangements and prior authorizations, as long as they do not discourage enrollment by certain Part D eligible persons.

Expenditures for the \$3,600 out-of-pocket limit are outlined below:

\$250 deductible		25.0% of drug costs between \$250 and \$2,250		100.0% of drug costs between \$2,250 and \$5,100 (the doughnut hole)		Out of Pocket Limit for Medicare Part D
\$250	+	\$500	+	\$2,850	=	\$3,600

After reaching the \$5,100 limit for annual pharmaceutical expenditures, referred to as the "catastrophic threshold," beneficiaries must pay the greater of either \$2 for generic or \$5 for brand name drugs, or 5.0 percent coinsurance. Deductibles, benefit limits, and catastrophic thresholds are indexed to rise with the growth in per capita Part D spending. This growth will result in the maximum benefit gap or "doughnut hole" amount, increasing from \$2,850 in 2006 to an estimated \$4,984 in 2014.

H:\02clerk\ANALYSTS\AAD\43193.wpd

HOUSE APPROPRIATIONS

DATE 2-01-2006
ATTACHMENT 4

Low-Income Assistance

The Congressional Budget Office (CBO) estimates that 14.1 million beneficiaries will be eligible for assistance based on low-income and limited assets. Those who are also eligible for full Medicaid benefits, approximately 40,000 beneficiaries in Kansas, are considered "dual eligibles." In 2006, these beneficiaries began receiving drug benefits from Medicare, rather than Medicaid. Under Medicare Part D, beneficiaries with incomes below 150.0 percent of the Federal Poverty Level (FPL) – \$14,355 for an individual in 2005 – will pay reduced drug costs as outlined below:

Medicare Prescription Drug Coverage					
	150%+ FPL	Incomes between 150-135% FPL	Incomes below 135% FPL	Medicaid Eligibles over 100% Poverty (would have a required spend down)	Medicaid Eligibles under 100% FPL
Monthly Premium	Estimated \$32.20*/month	Subsidies on a sliding scale	\$0	\$0	\$0
Deductible	\$250	\$50	\$0	\$0	\$0
Co-pay for costs between \$250 and \$2,250	25.0%	15.0%	\$2-\$5 co-pay	\$2-\$5 co-pay	\$1-\$3 co-pay
Co-pay for costs between \$2,250 and \$5,100	100.0%	15.0%	\$2-\$5 co-pay	\$2-\$5 co-pay	\$1-\$3 co-pay
Payment after \$5,100 threshold					
Generics	\$2	\$2 co-pay	\$0	\$0	\$0
Brand Name Drugs	\$5	\$5 co-pay	\$0	\$0	\$0
Or coinsurance percentage	5.0%	0.0%	0.0%	0.0%	0.0%

* FY 2006 estimated average.

Availability of Drug Plans

Medicare contracts with private insurance companies to provide the Part D prescription drug benefit. Coverage is available through two types of private plans:

- Private prescription drug plans (PDPs) that offer drug-only coverage; or
- Medicare Advantage (MA) (formerly Medicare+Choice) local and regional managed care plans.

The Centers for Medicare and Medicaid Services has established regions for the private prescription drug and Medicare Advantage plans. There are 34 PDP regions and 26 MA regions. At least two plans must be available in each region. If there are fewer than two plans available in

a region, the Centers for Medicare and Medicaid Service are responsible for arranging the offering of one "fallback" plan in the region.

Under Medicare Part D, drug plans are required to cover at least two drugs in each therapeutic class or category. CMS expects Part D prescription drug plans to provide access to a "broad range of medically appropriate drugs," including many of the drugs in the following classes - antidepressants, antipsychotics, anticonvulsants, antiretrovirals, immunosuppressants, and antineoplastics.

Financing Medicare Part D

The Office of Management and Budget (OMB) estimates that expenditures related to the Medicare Modernization Act will be approximately \$724.0 billion over the next ten years. Medicare expenditures related to the new drug law for Federal Fiscal Year (FFY) 2006 are estimated at \$37.4 billion and for FFY 2007 at \$52.5 billion. Increased expenditures are to be offset by:

- Beneficiary premiums;
- General revenues; and
- State Medicaid "clawback" payments.

The clawback is a monthly state payment to the federal Medicare program, beginning in January 2006. The phased-down State contribution or "clawback," is anticipated to generate \$48.0 billion in the first five years of the Medicare Part D program, about 13.0 percent of the estimated \$362.0 billion cost of the coverage and low-income subsidy over that time period. The monthly payment is determined by the following formula:

Monthly State Payments	=	1/12	x	Per Capita Expenditures (PCE)	x	Dual Eligibles	x	Phase-Down Percentage (PD%)
				State share of per capita Medicaid expenditures on prescription drugs covered under Part D for dual eligibles during 2003, trended forward.		Number of dual eligibles enrolled in Medicare Part D plan in the month for which payment is made.		Phase-down percentage for the year specified in the statute (e.g. 90% in 2006).

Impact of the Medicaid Clawback

The October 2005 consensus caseload estimate for the regular medical program included adjustments for the implementation of the Medicare Prescription Drug Coverage program beginning January 1, 2006. The adjustments include the cost savings from the shift of pharmaceutical expenditures for dual eligibles—persons eligible for both Medicare and Medicaid—from the state to the federal government. In addition, adjustments were made for the "clawback" payments to the federal government, anticipated additional enrollment of Medicaid beneficiaries as they are identified

4-3

during the enrollment process for the prescription drug program, and reduced revenues from drug rebates. The adjustments for FY 2006 and 2007 are shown in the table below:

	FY 2006 Adjustments to the Consensus Caseload Estimate*		FY 2007 Adjustments to the Consensus Caseload Estimate	
	<u>SGF</u>	<u>All Funds</u>	<u>SGF</u>	<u>All Funds</u>
Expenditure reduction	(\$39,774,198)	(\$101,985,124)	(\$93,023,964)	(\$238,522,984)
Clawback Payments	25,040,770	25,040,770	64,814,415	64,814,415
Additional Enrollees	601,818	1,543,122	2,655,561	6,809,131
Rebate Reduction	<u>16,777</u>	<u>43,018</u>	<u>17,942,229</u>	<u>46,005,716</u>
TOTAL	<u>(\$14,114,833)</u>	<u>(\$75,358,214)</u>	<u>(\$7,611,759)</u>	<u>(\$120,893,722)</u>

* The FY 2006 estimate reflects only six months of adjustments because the Medicare Prescription Drug program does not begin until January 1, 2006.

Talking Points for KS House Appropriations Committee

February 1, 2006

Chairman Neufeldt thank you for inviting us to appear today before your committee. My name is Kathryn Coleman and I am the Medicare Prescription Drug Education Campaign Manager for the Kansas City Regional Office of the Centers for Medicare & Medicaid Services. I'm accompanied here today by Nancy Schmidt, Health Insurance Specialist in our Division of Medicare Operations. It is our pleasure to be here today to discuss our progress on implementation of Medicare's new prescription drug benefit.

As you well know, the addition of a prescription drug benefit is, of course, the largest, most significant change to the Medicare program since its inception.

We've heard from a lot of people since implementation began in January and we've learned first hand that, for some, the system is working well and we've heard from others for whom it is not. Secretary Mike Leavitt and Administrator McClellan have also been traveling around the country and meeting with pharmacists and others to assess the situation first hand. Just last week, Secretary Leavitt was here in Kansas to meet with the Governor, pharmacists and others to better understand what's happening.

I think we've all gained a deeper understanding of what the issues, barriers and problems are. And we are working together to solve them. We have certainly gained a deeper appreciation for the work our pharmacists do each day and the struggles they are facing.

For the majority of people, the program is working and many people, who have never had prescription drug coverage before, are saving money. Pharmacists are filling more than one million prescriptions a day. And we have had more than two and a half million people sign up for the program in the last month.

While most seniors and persons with a disability are getting their prescriptions filled, as you're no doubt aware, we have had some start-up issues that could be e

HOUSE APPROPRIATIONS

DATE 2-01-2006
ATTACHMENT 5

new benefit affecting millions of people at one time. And we are working closely with our partners, including the states, to address and fix those problems.

Since this is a new program, some people may experience a problem the first time they go to get their medicines, but we're confident after they use it once, things are going to go much more smoothly.

The significant majority of individuals who are having payment issues at the pharmacy counter today are people who are dual eligible, who were first auto assigned to one prescription drug plan but chose to reenroll in a different plan and this is especially true for those who may have switched plans the last few weeks of December. In most states, this problem did not affect all dual eligibles, but we are concerned about every one of them. To every single person who went to the pharmacy counter and was not able to get their prescriptions filled, this was a big problem, and we are taking this very seriously and we're doing everything we can to address every problem.

Our message to the people who are experiencing problems is: don't leave the pharmacy without your drugs. There are several steps that individuals can take to ensure they get the medicines they need and there is no reason for them to go without their medications or to have to pay more than they owe.

We are working with the pharmacies and providing help to assure that can occur.

I want to assure you that CMS and the Kansas City Regional Office are committed to resolving each and every issue involving these individuals. We simply will not be satisfied until the last issue is resolved.

We have taken several immediate actions to improve things and ensure that no beneficiary leaves the pharmacy without their prescriptions.

5-2

We have provided a new computer system that pharmacies can use to verify eligibility in less than a second.

We have established a toll-free pharmacy help line that pharmacists can check for beneficiary information. We've increased by 400 percent the number of operators on that line, so there's no or minimal wait time for the pharmacist.

And if the pharmacist can't find information that they need to help a beneficiary who's on Medicaid and has been switched to Medicare, the pharmacist can enroll that beneficiary in a default plan right at the point of sale.

Finally, if all else fails, the pharmacist can call the pharmacy line or the beneficiary can call 1-800 Medicare to request the assistance of a case worker to resolve their individual needs. We've already resolved thousands of cases in this way, including many for residents of the State of Kansas.

We have also directed the plans to increase their customer service lines for beneficiaries and pharmacists. We acknowledge that is simply not acceptable for pharmacists or doctors, or people with Medicare to wait for 30 minutes or more on the phone to get information that is vital to getting prescriptions filled.

Part of the reason the waits have been so long is because the E-1 transaction system we provided to pharmacists has not always worked as well as it should and because we have had data translation problems. Some of the problem also is due to less than adequate staffing for the volume of calls the plans have received and we're taking steps to address that both on our own toll-free lines and those at the plans. For example, we're tracking how plan customer service lines are working, including their wait times. While many plans have already reduced their wait times, we expect all plans to get their wait times down.

Pharmacists across the country and right here in Kansas have worked heroically to handle a new system and the enrollment of millions of new beneficiaries.

5-3

Clearly, we need to provide additional support and training for our pharmacists who are a vital link for our beneficiaries in this program. Just yesterday we launched a new training and information initiative specifically for pharmacists. Yesterday we hosted the first of a series of conference calls for pharmacists to share new information and best practices about the new drug benefit. These calls provide specific information and tips about using the computer transaction systems and the Point of Sale enrollment process. Our contractors, who oversee these systems, are also on the calls and there is time for pharmacists to directly ask questions and receive advice from CMS and its contractors. To help ensure that these calls are available to the greatest number of pharmacists, we're holding them at three different times throughout the day of the call. The calls will also be recorded and available to pharmacists to listen to after their conclusion.

We have also directed the plans to honor the requirement of the law that beneficiaries get the drugs they need during the transition. We instructed the plans to establish an expedited process for pharmacists to obtain appropriate authorizations to override any edits that would apply in the absence of their transition policies. Some plans are fully automating their systems as well. This should ensure that beneficiaries receive the drugs they are entitled to, that the burden on pharmacists is reduced and that pharmacists can expedite claims processing at the plan.

We also continue to work closely with the States, including Kansas. We know that when data has been transmitted from the states to CMS or CMS to the plans, the "hand-shake" between the different data systems has not always been perfect. As a result of these imperfections, some names of beneficiaries are not showing up. While most of the data is transferring correctly, we must make sure we fix all the problem areas.

We will continue to work directly and closely with the state of Kansas, as we have in the past, to share information and data quickly and efficiently and to make sure that they get beneficiaries connected with the new benefit. We also want to ensure that States are getting reimbursed by the plans for any costs they incur, if the state steps up as the payer of last resort.

Just last week, we announced a new, temporary reimbursement plan that will enable States to be fully reimbursed for their efforts to help ensure that their dual eligible beneficiaries have access to their covered drugs as they move to the new Medicare Part D coverage. This plan limits the need for State reimbursement by supporting the use of Medicare payment systems whenever possible while also promoting the effective transition of dual eligibles into their new coverage.

The plan announced yesterday will permit Medicare to make payments to the States for amounts they have paid for a dual eligible's Part D covered drugs to the extent those costs are not otherwise recoverable under Part D. The demonstration will also pay States for the administrative costs incurred in the coordination of the drug benefit by State Medicaid programs.

And we have established a team of CMS staff that will provide expedited review of States' applications under this demonstration and have a template for States to use when applying for this demonstration.

Of course we want States to use payment approaches that support pharmacists efforts to primarily bill the Part D plan and that promote the use of the Medicare point-of-sale enrollment, I described earlier, before relying on State payment.

Mr. Chairman, we are committed to fixing every problem as quickly as possible and we'll do it as long as it takes, although we expect every day we'll continue to see improvements.

Adding a prescription drug benefit to Medicare is the biggest change in its 40 year history and it's happening all at once. When millions are enrolled at one time, there are bound to be some transition problems. But let me assure you the Kansas City Regional Office is committed to ensuring that the beneficiaries in our region get the medications they need at the correct price.

We've dedicated a significant number of staff to work directly with the beneficiaries, their pharmacies, and their drug plans to resolve any outstanding issues.

5-5

At the same time, we must not lose sight of the fact that this is an important new benefit for many people who have never had coverage for their medicines before, and we're confident that it will be a success for millions of Americans who will save money, stay healthy, and gain new peace of mind. We strongly urge those who have signed up for this new benefit to spread the word.

There are many ways for people to get help in their community and we've been working hard to build a network of partners with the Kansas SHICK and the AAAs and hundreds of other community based partners.

It does take some time to enroll and to use the coverage for the first time, but as many seniors will tell you, including my own Mother, it's worth it. As Secretary Leavitt said recently, the measure of our success isn't whether the prescription drug program is perfect on the first day, it's a few months from now, when millions more beneficiaries are getting their drugs with little or no problems." We know we have a lot more work ahead of us and we look forward to our continued dialogue with you in the coming months.

Thank you Mr. Chairman, I am happy to answer your questions.

###



Kansas Pharmacists Association
Kansas Society of Health-System Pharmacists
Kansas New Practitioners Network
1020 SW Fairlawn Road
Topeka KS 66604-2275
Phone 785-228-2327 ♦ Fax 785-228-9147 ♦ www.kansaspharmacy.org

TESTIMONY

**Before the HOUSE APPROPRIATIONS COMMITTEE
Concerning the Implementation of Medicare Part D in Kansas
By John L. Kiefhaber, Executive Director
February 1, 2006**

Chairman Neufeld and members of the Committee:

The 1,300 members of the Kansas Pharmacists Association (KPhA) would like to thank you for the opportunity to report on the work they have done and the problems they have encountered in the implementation of the federal government's new Medicare Prescription Drug Program, commonly known as Medicare Part D. Joining me today to deliver expert testimony on how this new and complex program has been introduced is Mike Conlin, RPh, of Topeka. Mike is a Kansas Pharmacists Association Board member and one of the most knowledgeable and involved pharmacists in the State.

While the federal Centers for Medicare & Medicaid Services began disseminating information on the implementation of Medicare Part D soon after the final regulations were released early in 2005, and while KPhA and others traveled the state all summer and fall of last year to explain the provisions of the program to pharmacists and beneficiary groups, no one was clearly ready for the deluge of patients and the complicated questions that would hit us all on January 2, a Monday. In fact, many pharmacies in Kansas were open on Sunday, January 1, and found out ahead of time what was coming. Two basic problems emerged right away, one we knew was coming and one we did not expect. We knew that dual eligibles who had to move from Medicaid to Medicare all on one day could be left behind in the enrollment process or could be enrolled in the wrong PDP plan. And some of them were. But the second major problem came when the pharmacist, the health care professional most relied upon by Medicare patients throughout the state, called the PDP to find the patient's record of enrollment and whether their prescription could be covered, they got a busy signal. Not just a busy signal – A BUSY SIGNAL FOR HOURS! This meant that patients would have to wait for hours, or go home without their prescriptions. Mike will explain this process in a moment.

KPhA would like to thank the Governor's office, which checked with us several times a week for an update on the problems, for stepping forward to fund those cases where Medicare patients could not get enrollments or payments through the system. In many case our pharmacists, concerned for their patients first, were actually funding prescriptions out of their own pockets not knowing if they would ever be repaid. We would also like to lend our support to the Insurance Commissioner after her introduction of S. B. 405 that would require PDPs operating in Kansas to be registered. These national companies are the plan providers serving our most vulnerable Kansas citizens, and we need to know who they are.

HOUSE APPROPRIATIONS

DATE 2-01-2006
ATTACHMENT 6

Medicare Part D

Prepared Testimony before Appropriations Committee

Kansas State Capital

Topeka, Kansas 66612

Michael K. Conlin R.Ph., F.A.C.A., F.I.A.C.P.

Jayhawk Pharmacy and Patient Supply

Topeka, Kansas 66614

February 1, 2006

HOUSE APPROPRIATIONS

DATE 2-01-2006
ATTACHMENT 7

My name is Mike Conlin. I am the pharmacist and owner of Jayhawk Pharmacy and Patient Supply in Topeka Kansas. I have had the unique opportunity to become the owner of a decades old pharmacy. Jayhawk Pharmacy is the same drugstore that I used to go to as a kid for nickel cherry cokes after school. I began my career using a manual Smith Corona typewriter and really felt I was living large when we were able to afford an electric typewriter. I am sure that every one of you have seen similar changes in your profession, whether you are a farmer, rancher, small business owner, or an accountant. During my 30 year career, I have had the opportunity to see medications evolve from the symptomatic treatment of disease to cures for disease.

The reason we are all here today revolves around the implementation of Medicare Part D. As we know, there have been numerous issues with the implementation of the drug plan. The issues from its inception include the projected cost of 800 billion dollars, twice the initial estimate. The call centers have been overwhelmed with the volume of calls. Further, the call centers have been inadequately trained to handle the need for information in an expeditious manner.

The problems faced by patients and pharmacists have included dual eligible patient automatically enrolled in plans that do not have a network pharmacy in their area. Therefore, these patients' choices have included paying cash for their prescriptions or driving long distances to receive their medications. Patients have been charged wrong co pays and deductibles. Many have enrolled in numerous plans to get all of their drugs "covered". Some patients do not understand that will be paying an insurance premium but will not have coverage during the proverbial "doughnut hole". Pharmacists have been unable to confirm patient coverage. These issues are all superimposed upon aging Kansas communities that easily become anxious and confused when making health care decisions.

The question for the pharmacist becomes how to use their time. Should we focus on providing patient care? Should pharmacies become lending institutions whereby they hope to be paid for providing temporary supplies, all at their own financial peril? Should pharmacies have their paying clients become "you'll get paid someday clients"? Perhaps the pharmacist should speak with his banker about additional lines of credit, or his vendors regarding extending the terms of his credit. Perhaps the pharmacist should be calling CMS regarding the fact that his pharmacy is not listed on the Medicare website to accurately reflect the plans that he is willing to participate in.

Unfortunately, the worst is yet to come. As the Wall Street Journal recently reported, "After grabbing market share, Humana hopes to entice many seniors to switch to more comprehensive Medicare plans, which are known as Medicare Advantage plans. The company calls this "enroll and migrate"." In another article, WSJ calls Medicare Part D and "land grab" for the insurance industry. The confusion over health care decisions will begin again.

At the epicenter of all of this conflict and confusion is the local community pharmacist, not the mail order pharmacy in Arizona, not the pretending to be a pharmacy

in Canada. At the cornerstone of every healthy community you will find the bank, the grocery store, the restaurant and the pharmacy. Communities are not communities without each of these businesses. I spoke with a colleague recently who said "I've been and pharmacist for 15 years. I hate my job. I'm an insurance agent, not a pharmacist." Another pharmacist told me that he comes in on Sundays after church to make his eligibility calls because the people aren't as rude and he does not have to wait on hold as long.

I have personally worked with confused and bewildered patients who I have never seen before in my life, trying to help them determine what is in their best interest. After over one hour with both husband and wife, they called the next day and asked if they could come back with more questions. I had to tell them no.

I have personally had patients who were doing quite well on their generic sleep medication, who were changed to a brand name "covered" medication. In one particular example, the patient copay went from \$6.30 to \$104.18 for the brand name "covered" medication.

Kansas pharmacies are in a financial crisis. Each of you as business owners have terms that you are obligated to meet with your vendors and financial institutions. The first and the 15th come all too soon. At Jayhawk Pharmacy and Patient Supply, we have yet to receive payment from any Medicare drug plans. The same is true of many of my pharmacy colleagues. Yet, the bills must be paid. I have spoken with several pharmacists throughout the state during the past week to gain their perspectives. Indeed, we are all frustrated with the additional workload for no additional reimbursement, the time on hold, the rude call center staff and the confusion of our patients. We are all willing to accept that responsibility to help our patients. But uniformly and without exception, pharmacists are all worried about the viability of our business. Some pharmacies are past due with their banks, some are on a cash basis with their vendors and some are considering closing their pharmacies. Some are refusing to accept Medicare Part D.

I would challenge each of you to call your community pharmacy, the pharmacist that you trust in your community and ask them how they feel. Ask them about the financial impact of Medicare Part D on their bottom line. Please ask them to allow you the opportunity to make an eligibility transmission electronically to see the process involved. I would challenge you, if the eligibility can not be determined, and the patient needs their medication, for you to personally put the twenty, or fifty or hundred dollar cost of the prescription on the pharmacy out of your own pocket book, only to be returned to you when the pharmacy is paid.

Community pharmacy has survived PBM's requiring our lifetime patients to get their prescriptions through the mail. Pharmacy has survived the poor public policy decision to encourage Kansas citizens to get their prescription from Canadian warehouses. Many Kansas pharmacies will not survive the embarrassing program called

Medicare Part D. In the end, Kansas seniors will drive miles or wait days for their much needed medications. The community pharmacy will be gone.

Respectfully,

Michael K. Conlin
Registered Pharmacist
Fellow American College of Apothecaries
Fellow, International Academy of
Compounding Pharmacists
Fellow, American College of
Veterinary Pharmacists

2006 LEGISLATIVE SESSION APPROPRIATIONS COMMITTEE MEMBERS

7-5

<u>Member</u>				<u>Room #</u>	<u>Secretary/Phone</u>	
<i>Representative Melvin Neufeld, Chair (Dist 115)</i>				<i>517-S</i>	<i>Lynn Workman, 6-7649</i>	
Company	First	Last	City	Work #	Home #	
Bachman Drug Inc	Angela	Bachman	Meade	(620)873-2641	(620)873-5244	
Montezuma Drug	Thomas J	Brown	Montezuma	(620)846-2202	(620)846-2385	
Clark Pharmacy	James E	Coast	Cimarron	(620)855-2242	(620)855-3398	
Clark Pharmacy, Inc	Mike	Coast	Cimarron	(620)855-2243	(620)855-3693	
St. Catherine's Hospital	Kristi	Cofer	Cimarron	(620)272-2152	(620)855-3149	
Western Plains Regional Hosp	Jan R	Granados	Fowler	(620)225-8416	(620)646-5742	
D & B Pharmacy	Donald E	Milligan	Ashland	(620)635-2322	(620)635-2640	
	Darrell	Thorsell	Meade		(620)873-2726	
<hr/> <i>Representative Brenda Landwehr, Vice-Chair (Dist 91)</i>				<i>115-S</i>	<i>Jenna Keesling, 6-7683</i>	
Company	First	Last	City	Work #	Home #	
	Jennifer	Gabel-Schmitz	Wichita	(316)262-8706	(316)262-8706	
Walgreens Pharmacy	Patricia L	Gosche	Wichita		(316)832-2844	
	Ivy	Lau	Wichita		(316)445-8656	
Dillons Pharmacy # 34	Michael D	Lee	Wichita	(316)942-7636	(316)821-9310	
	Jason	Schmitz	Wichita	(316)522-3449	(316)262-8706	
	Frank H	Tejeda	Wichita	(316)838-2100	(316)722-8588	
VA Medical Center	Steven W	Williams	Wichita	(316)685-2221	(316)832-0010	

Member

Room #

Secretary/Phone

Representative Bob Bethell (Dist 113)

128-S

Deb O'Neil, 6-7616

Company	First	Last	City	Work #	Home #
Medicine Shoppe	Melissa A	Bitter	Hoisington	(620)792-3030	(620)653-4570
PharmaSource	Robert D	Haneke	Sylvia	(620)486-2432	(620)486-3233
Russell Regional Hosital	Celeste M	Meitner	Hoisington	(620)285-4176	(620)653-2257
	David L	Reed	Sterling	(620)278-2110	(620)278-3428
Bunting-Dunlap	Micheal	Robinson	Lyons	(620)257-2821	(620)257-5338
	James	Siebert	Hoisington	(620)653-2818	(620)653-2712
	Taunya G	Siebert	Hoisington	(620)653-2114	(620)653-2712

Representative Becky Hutchins (Dist 50)

502-S

Lura Attig, 6-7698

Company	First	Last	City	Work #	Home #
Medical Pharmacy	Frank	Gilliland	Holton	(785)364-2114	(785)364-4626
Medical Pharmacy	Joseph	Gilliland	Holton	(785)364-2114	(785)364-4210
Medical Pharmacy	Lesley	Harris	Holton	(785)364-2114	(785)364-3320
	Wayne J	Ogilvie	Holton		(785)364-3582
St Francis Medical Center	Barbara	Pettit	Topeka	(785)295-8051	(785)286-3456

Representative Bonnie Huy (Dist 87)

110-S

Anne Steinbock, 6-7644

Company	First	Last	City	Work #	Home #
	Kelly	Battese	Wichita		(316)681-8068
Via Christi St Francis	Jeanine A	Brizendine	Wichita	(316)268-5094	(316)630-8067
	Hollie	Dawson	Wichita		(316)686-2750
	Lyle W	Koehn	Wichita	(316)689-6067	(316)684-4651
Wesley Medical Center	Joan	Kramer	Wichita	(316)962-3367	(316)686-2761
VA Medical Center	Tim J	Kramer	Wichita	(316)685-2221	(316)686-2761
Dillons Pharmacy # 12	Paul	Wade	Wichita	(316)651-2732	(316)218-1517

Member

Room #

Secretary/Phone

27
46

Representative Bill Light (Dist 124)

127-S

Deb O'Neil, 6-7616

Company	First	Last	City	Work #	Home #
	Richard L	Marquardt	Hugoton		(620)544-2192
	Jeffrey	Menzie	Ulysses	(620)356-1446	(316)356-5464
	William G	Rives	Elkhart		(620)697-4739
C & R Pharmacy	Jerry L	Scott	Elkhart	(620)697-2131	(405)696-2714

Representative Bill McCreary (Dist 80)

513-S

Barb, Crable, 6-7500

Company	First	Last	City	Work #	Home #
K-Mart Pharmacy # 3358	Gerald "Gary"	Adams	Wellington	(316)522-4701	(620)326-2323
	Gerald A	Bales	Wellington		(620)326-2668
Irwin-Potter Drug Medical Lab	Joseph	Brummer	Anthony	(620)842-5119	(620)842-3809
Irwin-Potter Drug Company	Ronald J	Giesen	Anthony	(620)842-5119	(620)842-3554
Haysville Health Mart	LouAnn M	Koester	Conway Springs	(316)524-4234	(620)456-2742
	Teryn	Lieurance	Wellington		(785)979-1551
Dillons Pharmacy # 63	Thomas R	Lieurance	Anthony	(620)326-5981	(620)842-5371

Representative Joe McLeland (Dist 94)

514-S

Dee Heideman, 6-7694

Company	First	Last	City	Work #	Home #
	Lawrence A	Arnold	Wichita	(316)268-5094	(316)722-5153
Dillons Pharmacy # 81	Gregory	Jantz	Wichita	(316)729-5204	(316)722-8571
Preston Pharmacy	Elliot	Lekawa	Wichita	(316)265-3300	(316)773-2762
Homeland Pharmacy # 645	Rebecca	Lucas	Wichita	(316)687-0200	(316)722-7395
K-Mart Pharmacy	Jeff	Marts	Wichita	(316)942-8253	(316)260-5335
	Jennifer	Marts	Wichita	(785)452-7162	(785)825-4147
Preston Pharmacy	Rodney Martin	Railsback	Wichita	(316)265-3300	(316)721-0575
	Hugh	Snell	Wichita		(316)721-1189
	Brian	Williamson	Wichita	(316)773-0405	(316)721-9125

8-1

Member

Room #

Secretary/Phone

Representative Mary Pilcher-Cook (Dist 18)

143-N

Carol Bainum, 6-7667

Company	First	Last	City	Work #	Home #
	Dennis	Brown	Shawnee	(913)596-4054	(913)631-1630
Osco Drug Pharmacy	Wirth P	Davis	Shawnee	(913)281-9317	(913)962-0000
Glaxo SmithKline	Ann	Gustafson	Lake Quivira	(913)302-7355	(913)962-0194
CVS # 5262	Stephen	Opdyke	Shawnee	(913)642-6066	(913)631-5597
Childrens Mercy Hospital	Cheryl M	Ricke	Lake Quivira	(816)234-3056	(913)631-8379
Hassig Drug	Patrick B	Voight	Lake Quivira	(913)371-0447	(913)268-9868

Representative JoAnn Pottorff (Dist 83)

140-N

Florence Deeter, 6-7501

Company	First	Last	City	Work #	Home #
Heartland Homecare Pharmacy	Patti Hobson	Ayesh	Wichita	(316)821-9646	(316)634-1044
	Michael	Dandurand	Wichita	(316)685-2353	(316)634-0326
Dillons Pharmacy # 20	Mark	Gifford	Wichita	(316)651-2703	(316)683-4817
Godinez Drug Consulting	Cesar J	Godinez	Wichita	(316)687-2498	(316)687-2498
Susan B Allen Hospital	Judy S	Hawkins	Wichita	(316)322-4560	(316)630-0342
Preston Pharmacy	Sam R	Hudson	Wichita	(316)265-3300	(316)682-8583
Family Prescription Shop	John C	Kraft	Wichita	(316)684-7899	(316)733-4066
Wesley Medical Center	David A	Moran	Wichita	(316)962-2305	(316)685-5320
	Ken E	Paxton	Wichita		(316)683-2900
	Ann	Rempel	Wichita		(316)734-6100
	Allison L	Robl	Wichita		(785)550-8421
Hart Pharmacy Inc	Bruce A	Schneider	Wichita	(316)683-5621	(316)721-2808
	Sylvia A	Steinshouer	Wichita		(316)685-6188
Parklane Pharmacy, P.A.	Virgil	Stinson	Wichita	(316)685-2269	(316)684-8052

6-1-7

Member

Room #

Secretary/Phone

Representative Larry Powell (Dist 117)

514-S

Dee Heideman, 6-7694

Company	First	Last	City	Work #	Home #
Greensburg Drug Company	Brad	Eustace	Kinsley	(620)659-2481	(620)659-8179
G & L Pharmacy	Gregory N	Flax	Ness City	(785)798-2897	(785)798-2843
G & L Pharmacy	Lisa E	Flax	Ness City	(785)798-2897	(785)798-2843
Dillons Pharmacy # 60	Lance C	Good	Ness City	(620)275-0194	(620)272-9647
St. Catherine Hospital	Wendy	Helsel-Just	Garden City	(620)272-2152	(620)276-4003
Plaza Pharmacy	Kay L	Petersen	Garden City	(620)276-8251	(620)275-1400
Plaza Pharmacy	Robin L	Schenck	Garden City	(620)276-8251	(620)275-0492
Ness County Hospital	Gomer	Stukesbary	Ness City		(785)798-2400

Representative Sharon Schwartz (Dist 106)

115-S

Jenna Keesling, 6-7683

Company	First	Last	City	Work #	Home #
---------	-------	------	------	--------	--------

Representative Lee Tafanelli (Dist 47)

503-N

Gina Bowes, 6-1754

Company	First	Last	City	Work #	Home #
---------	-------	------	------	--------	--------

01/10
7-10

<u>Member</u>				<u>Room #</u>	<u>Secretary/Phone</u>
<i>Representative Shari Weber (Dist 68)</i>	Company	First	Last	502-S City	<i>Lura Attig, 6-7698</i> Work # Home #

<i>Representative Kevin Yoder</i>	Company	First	Last	531-N City	<i>Melba Waggoner, 6-7693</i> Work # Home #
-----------------------------------	---------	-------	------	---------------	--

Member

Room #

Secretary/Phone

Representative Bill Feuerborn, Ranking Minority (Dist 5)

521-S

Amanda Atkinson, 6-7657

Company	First	Last	City	Work #	Home #
	William J	Allegre	Ottawa	(785)242-3092	(785)242-8545
	Steven T	Auten	Osawatomie	(913)755-4111	(913)849-3500
Osawatomie State Hospital	Denise	Burns	Osawatomie	(913)755-7213	(913)256-3292
Burns Pharmacy	Michael W	Burns	Garnett	(785)448-6122	(785)448-3197
Clinic Pharmacy	Edward C	Burrichter	Ottawa	(785)242-3547	(785)242-7791
Kramer Drug Store	George F	Kramer	Ottawa	(785)242-2055	(785)242-1888
	Sheila M	Lewis	Ottawa	(913)383-3650	(785)242-2056
Medicine Shoppe	Kevin M	Rycheck	Garnett	(785)448-6650	(785)448-3013
	William A	Sinclair	Osawatomie	(913)755-4112	(913)755-3495

Representative Barbara Ballard (Dist 44)

521-S

Amanda Atkinson, 6-7656

Company	First	Last	City	Work #	Home #
	Barlas	Buyuktimkin	Lawrence	(785)864-3591	(785)749-2650
Lawrence Memorial Hospital	Joseph G	Gant	Lawrence	(785)749-6445	(785)832-1030
Watkins Health Cr. Pharmacy Un	Elizabeth	Guernsey	Lawrence	(785)864-9513	(785)843-0982
Sisters of Charity Leavenworth	Todd	Henderson	Lawrence	(913)895-2940	(785)830-0448
KU School of Pharmacy	Gene	Hotchkiss	Lawrence	(785)864-3591	(785)843-4226
King Pharmacy	O Newton	King	Lawrence	(785)843-4516	(785)842-4555
Dillons Pharmacy # 68	Melissa	Loewenstein	Lawrence	(785)843-0847	(785)843-2431
	Virginia G	Mossberg	Lawrence		(785)842-2205
	Eric	Munson	Lawrence	(785)864-3319	
Round Corner Drug	Thomas M	Wilcox	Lawrence	(785)843-0200	(785)749-4141
QualiCare Pharmacy	Tamara	Willits	Lawrence	(785)841-1950	(785)841-2755

7-12

Member

Room #

Secretary/Phone

Representative Doug Gatewood (Dist 1)

Company	DSOB			Jackie Zabokrtsky, 6-7648	
	First	Last	City	Work #	Home #
Wolkar Drug	Brian D	Caswell	Baxter Springs	(620)856-5555	(620)856-5041
Columbus Pharmacy	Kerri	Coble	Columbus	(620)429-1999	(620)674-3945
Evan's Drug Inc	Evan P	McNemar	Columbus	(620)429-3322	(620)674-3303
Baxter Drug	Catherine	Parsons	Baxter Springs	(620)856-5858	(620)856-3892
Oswego Drug Store	Chris	Riley	Baxter Springs	(620)795-2233	(620)856-9980
Columbus Pharmacy	David	Schoech	Columbus	(620)429-1999	(620)674-3875
Mt Carmel Regional Medical	Brian	Sullivan	Pittsburg	(620)235-7877	
	Laura	Sullivan	Pittsburg		(620)231-0843

Representative Jerry Henry (Dist 63)

Company	DSOB			Marilyn Sanderson, 6-7688	
	First	Last	City	Work #	Home #
Ball Brothers Drug	Chad	Ball	Atchison	(913)367-0332	(913)367-3502
Ball Brothers Drug	Terry "Butch"	Ball	Atchison	(913)367-0332	(913)367-1966
Atchison Hospital	David W	Butler	Atchison	(913)367-6610	(913)367-4023
	Edgar W	Butler	Atchison		(913)367-1006
Omnicare - Lipira Pharmacy	Susan E	Nelson	Wathena	(816)279-1770	(785)989-3551
Reynolds Drug	Nancy T	Prohaska	Atchison	(913)367-4113	(913)367-4192
Ball Bros Drug	Jeffrey W	Rivers	Atchison	(913)360-2179	(913)360-2179
	N Michael	Shanks	Atchison	(816)271-6141	(913)367-1931

Member

Room #

Secretary/Phone

Representative Harold Lane (Dist 58)

DSOB

Vernita Mitchell, 6-7690

Company

First

Last

City

Work #

Home #

No Members Available with Phone Numbers

Representative Tom Sawyer (Dist 95)

DSOB

Jackie Zabokrtsky, 6-7648

Company

First

Last

City

Work #

Home #

Bales Pharmacy

Roger A

Bales

Wichita

(620)584-2025

(316)943-2069

M Elizabeth

Hicks

Wichita

(316)684-0118

(316)942-5374

Barbara A

Kearn

Wichita

(316)260-3423

Representative Bonnie Sharp (Dist 31)

DSOB

Pat Kahler, 6-7643

Company

First

Last

City

Work #

Home #

KU Medical Center

Chad A

Edgar

Kansas City

(913)588-2357

(954)258-8120

Walmart Pharmacy #5207

Jason P

Kramer

Kansas City

(913)649-4314

(913)669-8461

Critical Care System

Nich

Lohman

Kansas City

(913)894-0090

(913)287-6862

Representative Jerry Williams (Dist 8)

DSOB

Vernita Mitchell, 6-7690

Company

First

Last

City

Work #

Home #

Parsons Family Pharmacy

William D

Brant

Erie

(620)421-2020

(620)763-2122

Prescription Shop

Cris

Casas

Cherryvale

(620)251-1620

Cardinal Drug

James

Chappell

Chanute

(620)431-9150

(620)431-4634

Medicap Pharmacy

John B

Gallon

Chanute

(620)431-4270

(620)698-3650

John

Preble

Chanute

(620)431-5345

(913)593-6788

Oswego Drug Store

Andrew D

Reed

Erie

(620)795-2233

(620)763-2545

Barbara Anne

Smith

Erie

(620)244-3661

(620)244-3697

Cardinal Drug

Kim

Umbarger

Chanute

(620)431-9150

(620)431-7406

7-13