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STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TN 37243

MEMORANDUM

DATE: February 22, 2007

TO: Kathleen Clinton, John Craven, and C.J. McMorran

FROM: Stephen H. Norris
Deputy Commissioner

SUBJECT: Extension of DMRS Wrap-Around Benefit for Prescription Drugs

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The Division of Mental Retardation Services is extending its state-funded wrap-around benefits for coverage of prescription drugs through the month of March 2007. These state-funded wrap-around benefits are available only for adults 21 years of age and older. There are 3 different drug wrap-around benefits depending on the individual's eligibility status:

(1) Medicare Part D wrap-around for adults with both Medicare and Medicaid (i.e., Medicare/Medicaid dual eligibles);
(2) Wrap-around benefit for TennCare Eligible adults who are state-funded by DMRS; and
(3) Benzodiazepine and barbiturate wrap-around benefit.

Medicare Part D wrap around benefit for adults with both Medicare and Medicaid

The DMRS-funded Medicare Part D wrap-around benefit:

1. Is applicable for dates of service from January 1, 2006, through March 31, 2007;

2. Is available only for adults 21 years of age or older who are Medicare-Medicaid **dual eligibles** with Medicare Part D and who are either:

   a. Enrolled in a Home and Community Based Services (HCBS) Waiver for individuals with mental retardation (i.e., "Arlington" waiver #0357.90.01, "Statewide" waiver #0128.90.R2A.01, "Self-Determination" waiver #0427.01); or

   b. Currently state-funded by the Division of Mental Retardation Services;

3. Provides reimbursement on a monthly basis for up to a 1-month supply of a prescription drug that is not covered by Medicare Part D or by the individual's specific Medicare Part D drug plan, in accordance with the following:

   a. The individual or the individual's physician must:

      (1) Attempt to obtain the drug through the Medicare Part D drug plan;

(2) Submit an exception request for a coverage determination regarding the non-formulary drug; and

(3) Receive a denial from the individual's Medicare Part D drug plan; and

b. The drug must be obtained from a pharmacy in the provider network for the individual's Medicare Part D drug plan;

c. The following drugs are excluded from coverage:

(1) Over-the-counter (OTC) drugs; and

(2) Brand name drugs if the generic form of the drug is available; and

4. Provides reimbursement for prescription drug co-payments required for Medicare Part D formulary drugs (excluding co-payments, if any, for OTC drugs).

Wrap-around benefit for TennCare Eligible adults who are state-funded by DMRS

The wrap-around benefit for individuals state-funded by the Division of Mental Retardation Services (DMRS):

1. Is applicable for dates of service from August 1, 2005, through March 31, 2007;

2. Is available only for adults 21 years of age or older who are currently state-funded by DMRS. (Excluded are adults enrolled in an HCBS waiver for individuals with mental retardation); and

3. Provides reimbursement on a monthly basis for up to a 1-month supply of a medically necessary drug, in accordance with the following:

a. If the individual is Medicaid Eligible and, as a result, is subject to the TennCare 5-drug limit, the wrap-around benefit will be available for drugs in excess of the TennCare limit; however, the following drugs are excluded from coverage:

(1) Over-the-counter (OTC) drugs;
(2) Brand name drugs if the generic form of the drug is available; and
(3) Drugs for which TennCare prior authorization was denied as not medically necessary; and

b. If the individual is TennCare Eligible but is NOT Medicaid Eligible and, as a result, has no TennCare drug benefit, the wrap-around benefit will be available only for the following drugs:
(1) Generic drugs, excluding over-the-counter (OTC) drugs;
(2) Drugs listed on the TennCare Preferred Drug List;
(3) Drugs listed on the TennCare Pharmacy Short List.

Benzodiazepine/Barbiturate Wrap-Around Benefit

Examples of benzodiazepines would include diazepam (Valium/Diastat), clonazepam (Klonopin), chlordiazepoxide (Librium), lorazepam (Ativan), oxazepam, alprazolam (Xanax), clorazepate (Tranxene), flurazepam (Dalmane), temazepam (Restoril), triazolam (Halcion), quazepam (Doral), and estazolam (ProSom). Phenobarbital would be the most common example of a barbiturate.

The DMRS-funded wrap-around benefit for benzodiazepines and barbiturates:

1. Is applicable for dates of service from January 1, 2006, through March 31, 2007;

2 Is available only for adults 21 years of age or older who are:

   a. Enrolled in a Home and Community Based Services (HCBS) Waiver for individuals with mental retardation (i.e., "Arlington" waiver #0357.90.01, "Statewide" waiver #0128.90.R2A.01, "Self-Determination" waiver #0427.01); or

   b. Currently state-funded by the Division of Mental Retardation Services; and

3. Provides reimbursement on a monthly basis for up to a 1-month supply of a benzodiazepine or barbiturate. (A brand name drug is excluded if the generic form of the drug is available).

Reimbursement - Reimbursement for the drugs or drug co-payments described above are NOT to be included in the individual's service plan (section C of the Individual Support Plan). Instead, the provider agency or individual must submit documentation to the DMRS Regional Office regarding the amount paid to the pharmacy as well as information about the specific drug (e.g., drug name; strength; form; number of units dispensed; date dispensed; prescription number, the dollar amount that the service recipient is responsible for). The DMRS Regional Office will initially screen the documentation and then submit it to Assistant Commissioner Fred Hix in the DMRS Central Office for final review and payment.

Notification - DMRS Regional Directors should notify provider agencies that the drug wrap-around benefits have been extended through the month of March 2007 and should provide them with the name and contact information for the person in the Regional Office to whom the pharmacy invoices and documentation should be sent.

If you have any questions, please contact Louis Moore, M.D., Medical Director for Policy and Governmental Relations, at (615) 741-6632.

SHN:wlm

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