

Emergency Prescription Assistance Program (EPAP)

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What is the EPAP?

- A joint FEMA-HHS-CMS program that processes prescription drug and Durable Medical Equipment (DME) claims for eligible participants
- Allows pharmacies to dispense medications to individuals who:
 - Are from an affected area declared by the president
 - Have a valid prescription, or other means to verify a prescription on record
 - Have no other public or private prescription drug or DME coverage
- Real time claims adjudication simplifies federal program administration

Why do we need the EPAP? Lessons Learned From Katrina

- Large unmet need for prescription medications
- Federal, state and local governments working independently to find solutions
- Pharmacies, shelter organizations, pharmaceutical manufacturers, and numerous other private organizations lending a hand
- HHS Secretary asks CMS leadership to “do whatever it takes” to meet the prescription needs

Why do we need the EPAP? Katrina Prescription Assistance

- CMS convened a large group of public, private and non-profit entities to assist with the response
- Many pharmacies were open, and other “mobile pharmacies” could be opened to serve disaster areas
- Wholesalers were able to restock drugs without special government orders or other insecure and potentially unsafe deliveries
- Coordination between all entities ensured the prescription needs of the displaced population were met in a timely manner

Why do we need the EPAP? Closing the Books on Katrina

- Pharmacies provided drugs, but had no standard process to seek reimbursement
- Some pharmacies were unable to find the correct FEMA contact for reimbursement and had to write-off substantial losses
- Other pharmacies were able to contact FEMA
 - Pharmacies were asked to submit “data” to FEMA, the content of which was undefined during the Katrina response
 - FEMA assumed a substantial administrative overhead to review and approve or disapprove payment for pharmacy claims
 - Reimbursement disputes and delays were commonplace

How Does the EPAP Work? At the Pharmacy

- Eligible individuals can present at any pharmacy with a valid prescription
- The pharmacy checks for other third party coverage
 - If other coverage exists, the pharmacy should bill the existing payer
 - If no other coverage exists, the pharmacy captures the patient’s address to make sure they are from the affected area
- If the patient has no other third party coverage and is from the affected area, the pharmacy may bill the EPAP
- Pharmacy Participation
 - Over 55,000 community pharmacies can fill claims under this program
 - Non-participating pharmacies can sign-up during an emergency

How Does the EPAP Work? At the Processor

- Upon receipt of the claim from the pharmacy, the EPAP Processor (ACS) performs a secondary check for other coverage
 - This eligibility check occurs in real time and queries a master patient file which consists of over 200 million patient files
- If other coverage is found:
 - The EPAP rejects the claim and returns the other payer information to the pharmacy to effectuate correct billing
- If no other coverage is found and all appropriate information is included on the claim:
 - The EPAP approves the claim and the pharmacy provides the prescription assistance
- Additional processor capabilities for the future:
 - Greater limits on eligibility
 - State-only programs
 - Medical claims

Coverage and Limitations

- Coverage includes all Part D drugs dispensed at a pharmacy, with some exclusions
 - Cosmetic agents, Fertility agents, OTCs
- The EPAP covers limited DME frequently provided in a pharmacy
 - Canes, wheelchairs, diabetic supplies

Coverage and Limitations

- Coverage is limited up to a one-time 30 day supply of drugs or DME
 - Shorter supplies may be required for some prescriptions
 - Refills are not accepted under current program parameters*
- The EPAP will implement a “lesser of” policy with regards to drug fills
 - Lowest cost drug between donated, generic or brand unless “Brand Medically Necessary” is included on the prescription

Cost Efficient Structure

- Negotiated reimbursement rates versus pharmacy “Usual & Customary” prices
- Lesser of fill policy unless “Brand Medically Necessary” written on prescription
- Real time Third Part Liability (TPL)
- Federal and state cost avoidance
 - Real time coordination
 - Post event payment and administration
- Affected individuals are less likely to be institutionalized if they obtain necessary drugs/DME
- Supports, not supplants, the local economy

EPAP Activation Federal and State Process

- The President must first issue a Major Disaster Declaration under the Robert T. Stafford Disaster Relief Act, declare an Incident of National Significance or issue an Emergency Declaration for a specific geographic area beginning on a specific date
- Affected state requests prescription assistance from the federal government through HHS
- HHS relays the state’s request for assistance to FEMA, including a recommendation
- Once declared, FEMA has the authority to issue a Mission Assignment to Deploy HHS under Emergency Support Function-8

EPAP Activation HHS and CMS Process

- HHS/ASPR NDMS pharmacists initiate a Sub Task through HHS/ASPR Washington DC staff.
- HHS/ASPR Washington DC staff approves the Sub Task
- HHS/ASPR issues the approved Sub Task and an Intra-Agency Agreement (IAA) to the CMS Project Officer (PO) for approval
- The CMS PO obtains management signature on the Sub Task
- The CMS PO drafts and solicits comment on the Intra Agency Agreement and the funding document
- The CMS PO obtains all necessary signatures on the IAA and funding documents from HHS/ASPR, CMS Center for Drug and Health Plan Choice (CPC) and CMS Office of Acquisition and Grants Management (OAGM)
- The CMS PO provides all approvals to OAGM
- OAGM contacts the contractor with a direction to activate, including financial and geographical parameters for activation

EPAP Activation Processor Activities

- Upon being activated by CMS, ACS shall:
 - Notify pharmacies of program activation by fax, e-mail or call, including appropriate coverage information, geographic limitations and billing information
 - Activate call center for patients and pharmacies
 - Load claims systems with appropriate geographic and formulary information
 - Activate systems to allow for claims processing
 - Provide status reports as required
- CMS also engages industry partners, including the SOC, shelter organizations, pharmacy partners and other industry leaders

EPAP De-Activation

- EPAP will be de-activated upon notification from HHS or when all available funds are depleted
 - CMS and ACS are not authorized to exceed allocated funding
- ACS will provide all necessary reports, including:
 - Program administration costs
 - Product utilization
 - By drug, DME, geographical location and pharmacy
 - Individual prescription claims
 - Product donation reports, if applicable

Activations Gustav and Ike

- Metrics
 - 30,385 claims filled
 - 2,870 TPL cost avoided claims
 - TPL saved \$176,000
- Overall Success
 - Coordinated effort addressed the prescription needs, and patient/pharmacy questions were answered quickly
 - Program administration was simple and extremely cost effective
 - Total program costs came in well under budget

Initial Start-Up Lessons Learned from Gustav

- Gustav landfall was September 1, 2008 but the EPAP was not activated until September 5, 2008
 - Major Disaster versus Emergency declaration
 - State-HHS-FEMA coordination
 - HHS-CMS activation process
- Louisiana began filling the void
- Pharmacy communications for a weekend activation
- Initial delays and TPL start-up issues resulted in artificially low utilization and TPL savings for LA
- The EPAP Works!

Areas for Improvement

- Streamlined activation process
- Tightened geographical eligibility
- Communications with shelter organizations
- Pharmacy and other public communications
 - Covered drugs and DME
 - Online payer sheet information
- Timing of de-activation
- Current financial structure
 - Very cost-effective for large events
 - Could be set up for smaller federal or state-only responses

Potential for a Donation Program

- After Katrina, significant safety/security issues were created when donated drugs left the normal supply channels
 - Some drugs were expired
 - Other drugs were delivered on pallets to shelters
 - One large order would have created shortages of a drug throughout the nation if filled
 - One famous truck of insulin still hasn't been found
- The EPAP could process donated drugs if the appropriate infrastructure is developed
 - All drugs remain in secure distribution channels
 - Efficient system for manufacturers to donate
 - Pharmacies reimbursed for their costs

Questions?

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