

Addictions and Mental Health Division  
Oregon Health Authority  
Medicare Part D Long Term Care  
June 28, 2011

There is a variety of Medicare Part D health contracts within the State of Oregon, Oregon Health Authority, for patients admitted to Oregon State Hospital in Portland and Salem to cover the cost of prescription drug coverage. Contracts have been obtained from Medicare Part D health entities expanding into the Oregon service area for patient coverage at the state hospitals.

This project began with a mandate from Center for Medicare and Medicaid Services (CMS) in 2006 with a handful of patients and the thought that possibly \$ 200.00 in revenue per month would be generated. This project has grown and developed into a claims process that generated on average in excess of \$ 149,832.00 per month in revenue during 2010 and included on average 280 individuals per month.

The revenue generated from this project is used to offset pharmacy expenses incurred from the cost of medications, the cost of wages for staff dispensing the prescriptions and supplies such as labels, containers, etcetera for medications.

Fluctuations in revenue generated are based upon the dollar amount of the prescriptions submitted for claims and the 'donut hole' (the difference of the initial coverage limit and the coverage threshold). The donut hole amount for 2006 was \$ 2,250.00 with full payment restored once \$ 3,600.00 in expenses was incurred. The donut hole amount for 2010 is \$ 2,780.00 through \$ 4,500.00 of uncovered prescriptions which causes a drop in revenue received. So there would be less prescription coverage in 2010 than in 2006.

For additional information surrounding this Medicare Part D project, please contact Russell Kittrell at 503 - 945-9439.