

DHHS Budget Initiative – Drugs for the Elderly (DEL)

Drugs for the Elderly (DEL)

This program covers co-payments, Medicare Part D premiums, out-of-pocket costs, known as the donut hole, and the cost of excluded drugs for elderly and disabled whose income is no more than 185% of the federal poverty level. You must be 62 or older, or age 19 or older and meet the disability criteria for SSI (Supplemental Security Income). If you spend more than 40% of your income on prescription drugs, the income level is increased by 25%.

Prior Years Program Spending:

- SFY 2011: \$7,788,263
- SFY 2012: \$7,008,425*

*Difference between SFY '11 and '12 spend is attributable to a significant reduction in the excluded drug spend due to a provision within the ACA.

Initiative

This initiative achieves cost savings by removing funding for the DEL program.

- *SFY13 Savings*

State - \$1,752,106	% of overall SFY12 spend
Total - <u>\$1,752,106</u>	100

- *SFY14 Savings*

State - \$7,008,425	% of overall SFY12 spend
Total - <u>\$7,008,425</u>	100

- *SFY15 Savings*

State - \$7,008,425	% of overall SFY12 spend
Total - <u>\$7,008,425</u>	100

Impact

- Coinsurance, deductibles or co-pays and excluded drugs will no longer be covered for members. The department estimates approximately 70,000-80,000 members will be impacted, depending on their drug utilization.
- Total SFY Expenditures by Category and Annual per Member Cost:

Category	Expenditure	# of Members	Annual per Member Cost
Copay	\$5,167,510	82,339	\$62.76
Deductible	\$24,259	450	\$53.91
Excluded Drugs	\$975,557	52,306	\$18.65
Gap	\$58,994	282	\$209.20
Part D Premiums	\$782,105	2,100	\$372.43
Total	\$7,008,425		