

Department of Community Health  
Boilerplate Report – Section 1629(2), P.A. 60 of 2001  
Third Quarter

Persons Enrolled	15,000
Year-To-Date Expenditures	\$16,662,705.83
Projected Expenditures	\$24,000,000.00

Also attached is the department's quarterly report as required by the EPIC Legislation, Section 8 of P.A. 499 (2000).

# DEPARTMENT OF COMMUNITY HEALTH

## EPIC PROGRAM

### FY02 THIRD QUARTER IMPLEMENTATION REPORT

Section 8 of PA 499 (2000) requires that quarterly reports be transmitted to the Senate and House Appropriations Committees and the senate and house fiscal agencies. These reports are required to include the following:

- quantified data as to the number of program applicants and enrollees
- the amount of expenditures
- the number of enrollees subsequently found eligible for Medicaid
- an estimate as to whether the current rate of expenditures will exceed the existing amount of money appropriated for EPIC in the current fiscal year

The following report addresses each of these requirements.

#### Applications and Enrollment

At this time, general enrollment has not been opened for new EPIC participants . However, the emergency program remains open and will enroll any eligible applicant. Thus far, emergency enrollees have been provided an expedited enrollment and coverage extended to 365 days. These extensions will occur when EPIC is open for general enrollment or when funds permit such extensions.

As of August 3, 2002, total enrollment is 14,790 plus 280 approved emergency enrollees for a total of 15,070 enrollees.

#### Other Activities

In June, four training sessions were held for southeast Michigan senior EPIC centers. The focus of these sessions was to review the emergency application form, instructions and process. It was originally expected that emergency enrollment would be approximately 2,500 per year in contrast to only 280 so far. Additionally, a format is being finalized which senior EPIC centers can share with prescribing physicians to ensure that emergency eligibility criteria are met.

The EPIC application form and instructions have been revised to clarify requirements and/or to address problems encountered thus far. For example, about 10% of EPIC enrollees report no Medicare coverage. In contrast, nationally only about 2% of seniors are not Medicare eligible. It is suspected this is a reporting problem and the question(s) on the application about Medicare eligibility have been clarified. Additionally, most questions identified during the application review are income related; the income items on the

application itself have been simplified, and an income worksheet is now required as part of the application.

Beginning in August, the EPIC re-enrollment process will begin. A renewal application form, instructions and cover letter will be sent to current enrollees about 60 days before their eligibility end date. In order to continue as an EPIC participant, current enrollees must reapply, provide the \$25 application fee and if they continue to meet eligibility requirements, they will be re-enrolled.

### Medicaid-eligible Enrollees

Applicants who are at or below 100% of the federal poverty level, when approved for enrollment, are told in their enrollment letter that:

- C they may be eligible for Medicaid
- C Medicaid provides a broader range of coverage/benefits
- C their local FIA office can provide additional information

Senior EPIC Centers may also refer individuals to the local Medicare Medicaid Assistance Program staff. In many instances, these are the same staff who assist seniors with EPIC matters. However, the EPIC legislation does not require Medicaid-eligible participants to enroll in Medicaid.

Of all current participants, 18% appear to be Medicaid-eligible based on the information submitted with the application. Note, however, that EPIC does not consider assets in determining eligibility. Of the emergency applications, approximately 23% may be eligible for Medicaid benefits.

The department's contract with First Health Services Corporation requires a "file match" between EPIC and Medicaid participant files. An initial test file match has been completed and is currently being reviewed to assure the report is accurate. Once the validity is confirmed, dis-enrollment will take place for EPIC participants enrolled in the regular Medicaid program.

### Expenditures

The EPIC program is not projected to exceed the current appropriation. FY 02 expenditures are projected at \$23-24 Million.

On a full-year coverage basis, the current annual EPIC projected cost for enrolled participants filing pharmacy claims is projected at approximately \$2,094 at current prices. However, expenditure data indicates that not all EPIC participants utilize pharmacy benefits each month; thus far, participation is approximately 85% within a given month.

1. Claims

Through the pharmacy claims billing period ending July 21, 2002 there have been 465,700 paid claims, which total \$17,200,148. Excluding administrative costs, the cost to EPIC was \$15,052,912. The average participant co-pay is 12.5% of the cost of the claim and is approximately \$4.60.

2. Administrative Costs

Through June, administrative costs have been approximately \$1.8 million and include significant one-time amounts associated with the start-up of the program.

# DEPARTMENT OF COMMUNITY HEALTH

## EPIC FACTS

### ENROLLMENT DATA

- As of August 3, 2002, there are 280 Emergency EPIC enrollees and 14,790 enrolled from the two priority enrollment groups for a total enrollment of 15,070.
- Of enrollees, 44.4% are over age 80 and 81.5% are women.
- In total, 18% of participants have household incomes at or below 100% of the Federal Poverty Level. 35% are between 100 and 125% of Federal Poverty Level; 32% are between 125 and 150%, and 15% between 150 and 200%.
- Of approximately 150 Senior EPIC Centers, at least 62 have processed emergency applications. Four training sessions among 50 Senior EPIC Centers were held in June to provide a training update on emergency requests and processing

### CLAIMS DATA

- As of July 21, 2002, about 466,000 pharmacy claims have been paid at a gross cost of \$17.2 million.
- The average cost per prescription to the EPIC program is currently \$32.32, but \$33.70 for the most recent two-week period. The total average cost per prescription, including participant co-pays as required by legislation, has been about \$36.93.
- The total average participant co-pay, per claim, has been about \$4.60 – about 12.5% of the cost of the prescription.
- During any month, about 85% of EPIC participants fill prescriptions. For those that do, on average, they fill 5.2 claims.

### PRESCRIPTION DATA

For October through June:

- Single-source brand drugs represented 41% of all claims and 75% of the total ingredient cost.
- Multi-source brand drugs currently represent 2.7% of the total claims (down from over 4% earlier this fiscal year ) and about 3.3% of the total ingredient cost.
- Generic drugs represented 56% of all claims and 21.5% of the total ingredient cost.

The average ingredient costs by drug type were:

•	Single-source brands:	\$64.90
•	Multi-source brands:	\$35.07
•	Generic:	\$13.64

Note: This information is limited to October-June claims only; it is not certain that these costs are representative of a full year of utilization or of all enrollees.

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