



How LTC Pharmacies Can  
**Reduce Medication  
Costs by Optimizing  
Benefit Plans**  
for Assisted Living Residents







## Overview

Transitioning to assisted living (AL) is a significant change for residents and their responsible parties. The stress of adapting to a new environment is often compounded by the decisions they must make about changing everyday routines, including choices about their pharmacy provider.

While medication management is a main reason residents move to AL, they often are surprised by unexpectedly high medication costs. Confused, they frequently turn to community staff who are ill-equipped to answer their questions, leaving residents frustrated, and caregivers behind on work.

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This guide is designed for AL operators and community staff who want to better understand Medicare and how a long-term care (LTC) pharmacy's benefit plan optimization services can help reduce out-of-pocket costs for residents. By helping residents navigate the complexities of Medicare and other benefit plans, LTC pharmacies can minimize expenses, making the transition into AL smoother and more affordable while also easing the burden on community staff.

## Background

Most residents in AL take 12-14 medications daily. With escalating drug costs, premiums, and co-payments, medication expenses can quickly become overwhelming. Yet, accustomed to managing their own health plans, many residents never reevaluate their benefits as their situation changes, even when entering an AL community.

Before moving into AL, residents are used to discussing their insurance coverage and medication costs directly with a pharmacist at the time of dispensing. They are accustomed to handling one prescription at a time, understanding the cost upfront, and paying as they go. However, after moving into AL and switching to the community's LTC pharmacy, they now receive one monthly invoice for all their prescription and over-the-counter medications. Seeing the total monthly cost and trying to make sense of a month's worth of charges all at once can be overwhelming and confusing to residents. Further, some insurance plans don't cover

**LTC Pharmacy Services**, underscoring the importance of helping residents find a Medicare plan that includes these valuable benefits.

Community staff, already burdened with other responsibilities and stretched thin due to staffing shortages, are left to handle billing inquiries from residents, hindering their ability to perform their primary responsibilities. Complicating the situation, these caregivers often lack the expertise to explain the nuances of benefit plans and billing, which creates frustration for all. Had the resident's benefit plan been reviewed at the time of the transition into AL, this could have been avoided as changing plans can result in significant cost savings and provide clarity on expected drug costs throughout the year.

Understanding benefit plans, as well as medication and billing processes, is essential for achieving better outcomes, managing costs, and reducing frustration.



### LTC Pharmacy Services

Services provided by LTC pharmacies go beyond the traditional medication dispensing provided by retail or mail-order pharmacies. These specialty services include medication management, compliance packaging, delivery, and consulting and educational services. They are tailored to the unique needs of LTC settings and are designed to ensure resident safety and promote healthy outcomes.







## **Understanding Medicare Plans**

Medicare is a federal health insurance program primarily for people aged 65 and older, though certain younger individuals with disabilities, chronic or terminal diseases may also qualify. Familiarization with the different parts of Medicare is essential for selecting the best plan.

### **Original Medicare (Part A & Part B)**

Original Medicare, offered directly through the federal government, consists of two parts: Part A (hospital insurance) and Part B (medical insurance). It provides access to a wide range of physicians, hospitals, and pharmacies that accept Medicare. Typically, it covers 80% of healthcare costs, leaving residents responsible for the remaining 20% through out-of-pocket expenses such as deductibles, and copayments.

### **Medicare Advantage (Part C)**

Medicare Advantage plans, offered by private insurance companies, are an alternative to Original Medicare. These plans provide all Part A (hospital insurance) and Part B (medical insurance) coverage. They may offer additional benefits such as dental, vision, hearing, and over-the-counter drug coverage. Importantly, they often include prescription drug and LTC Pharmacy Service coverage.

### **Prescription Drug Coverage (Part D)**

Medicare Part D, which provides prescription drug coverage, is also offered by private insurance companies and can be added to Original Medicare. Residents typically pay a monthly premium in addition to their Part B premium. Adding to the complexity, Part D plans are subject to coverage phases where the copayments for prescription drugs change throughout the year based on the 'phase' the resident is in.



## | Navigating Enrollment Periods

Awareness about Medicare enrollment periods is crucial to ensuring timely, cost-effective coverage.



### Annual Open Enrollment Period

The Annual Open Enrollment Period runs from October 15 to December 7 each year.<sup>1</sup> During this time, individuals can:

- ▶ Switch from Original Medicare to Medicare Advantage
- ▶ Switch from Medicare Advantage to Original Medicare
- ▶ Change from one Medicare Advantage plan to another
- ▶ Change from one Medicare Part D plan to another
- ▶ Enroll in a Medicare Part D plan if they did not enroll when first eligible



### Special Enrollment Periods (SEPs)

SEPs are triggered by specific life events and allow individuals to make changes to Medicare plans outside of the Annual Open Enrollment Period.<sup>2</sup> Individuals can add, change, or drop plans under the criteria of SEPs if they:

- ▶ Moved, either into or out of an institution, like an LTC community
- ▶ Moved to a new address that isn't in their plan's service area or that has new plan options available
- ▶ Lose other credible prescription drug coverage
- ▶ Wish to enroll in a 5-Star Medicare Advantage Plan
- ▶ Are enrolled in a State Pharmaceutical Assistance Program
- ▶ Qualify for a Special Needs Plan (SNP) due to a severe or disabling condition
- ▶ Are eligible for both Medicare and Medicaid (i.e., dual eligible)
- ▶ No longer have employer coverage, including COBRA coverage
- ▶ Qualify for extra help paying for Medicare prescription drug coverage
- ▶ Enroll in or leave a Program of All-inclusive Care for the Elderly (PACE) plan
- ▶ Are in a plan that is sanctioned by Medicare

## The Role of LTC Pharmacies in Optimizing Benefit Plans

Assisted living operators, staff, and residents can greatly benefit from a LTC pharmacy's expertise. Community operators should look to their pharmacy provider to play a pivotal role in ensuring residents are on the best possible Medicare plan for their financial and healthcare needs.

### Plan Comparison and Optimization

Guardian Pharmacy's local billing specialists are trained to help compare different Medicare plans. They assess factors such as drug formularies, coverage gaps, and out-of-pocket costs to provide options for the most cost-effective plans for residents.



#### Services Offered

- ▶ Answers to questions about benefit plans and drug coverage
- ▶ One-on-one plan comparison consultations based on individual healthcare and financial needs
- ▶ Insurance optimizer services throughout the year, working directly with insurance companies and physicians to make certain medications are covered or an alternative is offered
- ▶ Access to an online self-service portal for easy plan comparison and enrollment
- ▶ Referral to an independent licensed insurance agent for enrollment assistance, if needed

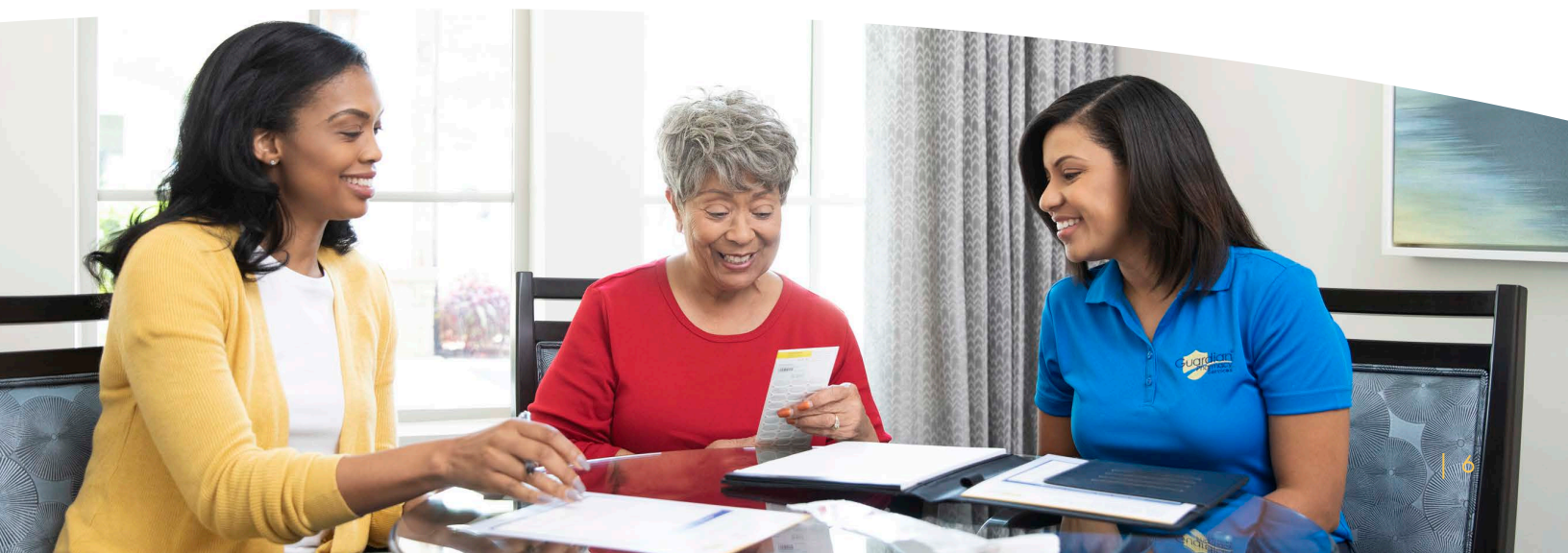
### Cost Savings

Switching to a more suitable Medicare plan, or adding a second benefit plan, can often lead to substantial out-of-pocket savings. Residents who compared and changed plans saved an average of **\$552** a year.<sup>3</sup> By aligning residents with the plan that best covers their specific medications and healthcare needs, LTC pharmacies help reduce costs and alleviate financial frustrations that lead residents to seek staff assistance.



#### Potential Savings Areas

- ▶ Lower prescription drug costs
- ▶ Reduced monthly premiums
- ▶ Minimized copayments and deductibles
- ▶ Fewer non-covered drugs
- ▶ Over-the-counter medication coverage
- ▶ LTC Pharmacy Services coverage





## Educational Sessions

Assisted living communities should expect their LTC pharmacies to organize onsite educational sessions to provide residents and responsible parties with valuable information about Medicare options and enrollment assistance. In addition, during annual open enrollment, some LTC pharmacies host informative webinars to explain Medicare and other benefit plans. These events are an excellent opportunity to ask questions, understand varying plans, and make informed decisions.

## Enrollment Assistance

It's important that a community's LTC pharmacy works with Medicare experts and their licensed insurance agents who use the latest tools approved by the Centers for Medicare and Medicaid Services. This enables them to offer accurate estimates on annual out-of-pocket costs. Residents have direct access to these agents for assistance with plan enrollment and questions. Online self-service portals are also available, allowing for easy plan comparison and enrollment.

### Case Study in Success



In 2023, Guardian Pharmacy launched a regional plan optimization pilot program in North Carolina and Virginia. The program featured live webinar sessions sharing valuable information, along with one-on-one consultations with trained billing specialists to help residents compare benefit plans. Residents also had access to licensed insurance agents who assisted with plan enrollment, as well as an online self-service portal for comparing and enrolling in new plans.



During this program, 60% of those assisted chose a new plan that saved them money. For instance, one resident with TRICARE insurance coverage added a Medicare plan as their primary coverage and maintained TRICARE as secondary coverage. As a result, the resident saved a net of \$1,343 on copayments, deductibles, and premiums in the first year through coordination of benefits.



Compared to the prior year, there was a 483% increase in plan optimization service use by residents, setting a precedent for future program expansions.



"It's rewarding to be able to share valuable information with our customers that can truly make a difference in their lives. With the self-service portal, they can see their personal medical information in real time, compare benefit plans, and make sound financial decisions that can result in significant out-of-pocket savings.

**It's a game changer for the residents that we serve."**

- Walt Rowland

Senior Manager Medicare Benefits and Patient Services  
Guardian Pharmacy Services

## Conclusion

LTC pharmacies are key partners in optimizing resident benefit plans and navigating Medicare options, significantly reducing the time-consuming questions and financial stress. By ensuring that residents are on the most suitable plans for their healthcare and financial needs, LTC pharmacies help mitigate the unexpected costs that primarily drive resident inquiries. This allows community staff to focus more on delivering high-quality care, rather than dealing with insurance and billing complexities. AL operators who leverage the expertise, resources, and invaluable LTC pharmacy support, enhance resident satisfaction, reduce the strain on their staff, and improve the overall care and well-being of residents.

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<sup>1</sup> "Joining a Plan." Medicare.gov, <https://www.medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan>. Accessed August 23, 2024.

<sup>2</sup> "Special Enrollment Periods." Medicare.gov, <https://www.medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan/special-enrollment-periods>. Accessed August 23, 2024.

<sup>3</sup> eHealth, Inc. Drug Coverage Savings for Medicare Beneficiaries. July 2021. Average potential savings identified in the report was limited to plans offered by eHealth and cost information available to eHealth at the time of tool use; cost information is subject to periodic updates and corrections.





Guardian Pharmacy Services is one of the nation's largest and most innovative long-term care pharmacy companies. We provide outstanding client service and resident care to long-term care communities including assisted living, skilled nursing, mental and behavioral health and those that serve individuals with intellectual and developmental disabilities.

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