



CSR Inquiry Assistance

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Medicare Part B versus Part D Drug Coverage Determinations

Key Words

Part B, Part A, Drug, Coverage, Determinations, Medical, Insurance, Prescription, SE0652, SE0570

Provider Types Affected

Physicians, pharmacists, providers, health care professionals, suppliers, and their staff

Key Points

- MLN Matters Special Edition article SE0652 is being provided by the Centers for Medicare & Medicaid Services (CMS) to assist physicians, providers, other prescribers, and pharmacists to understand the CMS' recommended approach to simplifying and expediting the coverage determination process for Medicare Part B versus Part D.
- Part B — Medical Insurance covers drugs that are:
 - Not usually self-administered; and
 - Furnished and administered as part of a physician service.
- Medicare Part B covers other selected drugs, such as the following:
 - Drugs requiring administration via a piece of covered durable medical equipment (DME), such as a nebulizer or infusion pump in the home (because the law specifies "in the home" this coverage is generally not available in nursing facilities);
 - Immunosuppressive drugs for people who had a Medicare covered transplant;
 - Hemophilia clotting factors;
 - Antigens;
 - Intravenous immune globulin provided in the home;
 - Certain oral anti-cancer and oral anti-emetic drugs;
 - Erythropoietin for people with end stage renal disease (ESRD);
 - Certain vaccines [Influenza, Pneumococcal, and (for intermediate- to high-risk individuals) Hepatitis B]; and

- Parenteral nutrition for people with a permanent dysfunction of their digestive tract.
- Regional differences in Part B drug coverage policies can occur in the absence of a national coverage decision.
- Part D — Prescription Drug Insurance covers drugs defined as:
 - Drugs available only by prescription, approved by the FDA, and used for a medically accepted indication which are not covered under Part B (or Part A).
 - **Note:** Certain drugs or classes of drugs (or their medical uses) are excluded by law from Part D coverage. These exclusions include the following:
 - Benzodiazepines;
 - Barbiturates;
 - Drugs for anorexia, weight loss, or weight gain;
 - Drugs used to promote fertility;
 - Drugs used for cosmetic purposes or for hair growth;
 - Drugs used for symptomatic relief of cough and colds;
 - Prescription vitamins and mineral products, except prenatal vitamins and fluoride preparation products;
 - Non-prescription drugs;
 - Drugs for which the manufacturer seeks to require as a condition of purchase that associated tests and monitoring services be purchased exclusively from the manufacturer or its designee; and
 - Drugs for the treatment of sexual or erectile dysfunction (starting January 1, 2007).

Recommended Process to Expedite Part B versus Part D Coverage Determinations

- Plans may rely on physician information included with the prescription, such as diagnosis information (e.g., to determine if the prescription is related to a Medicare covered transplant) or location of administration (e.g., to determine if the prescription is being dispensed for a beneficiary in a nursing home) to the same extent they rely on similar information acquired through documentation from physicians on prior authorization forms.
- To the extent that the plan requires their contracted pharmacies to report the information provided on the prescription to assist in the determination of Part B versus Part D coverage, the plan may rely on the pharmacist's report of appropriate information to make the coverage determination under Part D.

For example, for cases in which Prednisone is prescribed for a condition other than immunosuppression secondary to a Medicare-covered transplant, and this is indicated on the prescription, a plan may authorize the pharmacy to dispense the drug under Part D without seeking further information from the prescribing physician.

- Medicare Prescription Drug Plans (PDPs) are prohibited from paying for drugs that are covered under Part B.
- Certain drugs such as Prednisone are covered under Part B when they are used to prevent organ rejection for a patient who has had a Medicare covered transplant.
- When a plan gets a prescription for prednisone, they must have a process by which they can verify that the prednisone is being used for a disease which would not trigger Part B coverage.
- Initially the plans instituted cumbersome prior authorizations procedures which required that the prescriber fill out a prior authorization form and send the form to the plan.
- In order to simplify the process CMS has instructed the plans that if a prescription is written for a B/D drug and the prescription has written on it the words "Part D" and a Part D diagnosis such as "contact dermatitis" the prescription should be filled.
- The Part D Plan is ultimately responsible for making the Part D coverage determination. However, CMS believes that the Part D plan will have met appropriate due diligence standards without further contacting a physician if:
 - Necessary and sufficient information is provided on the prescription; and
 - The contracted pharmacy is able to communicate this information to the plan in order to make the coverage determination.
- CMS is preparing additional guidance to assist plans, pharmacies, and physicians in operationalizing these Part B versus Part D coverage determinations.

Note: Special Edition SE0652 information does not supersede any existing guidance concerning documentation for Part B prescriptions.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0652.pdf>

For more information on local coverage determinations, go to <http://www.cms.hhs.gov/coverage> on the CMS web site.

For more detailed information about Part B drugs and Part D coverage, refer to MLN Matters article SE0570 or to the detailed report at

http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/BvsDCoverage_07.27.05.pdf on the CMS web site.

For more detailed information on Part B versus Part D coverage, see the following CMS web sites:

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0570.pdf>

http://www.cms.hhs.gov/PrescriptionDrugCovContra/downloads/DueDiligenceQA_03.24.06.pdf

http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/Downloads/PartBandPartDdoc_07.27.05.pdf