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Clarification on Part D and Fee-For-Service (FFS) Providers, New Web-based 140 Educational Products, and the Latest Information on Medicare Prescription Drug Coverage – The Seventh in the MLN Matters Series

Note: This article was updated on February 27, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Physicians, providers, suppliers, and their staff who provide service to people with Medicare

Important Points to Remember

- On January 1, 2006, new prescription drug coverage will be available to your Medicare patients.
- It will cover brand name and generic drugs.
- This new drug coverage requires all people with Medicare to make a decision this fall. As a trusted source, your patients may turn to you for information about this new coverage. Therefore, we're looking to you and your staff to take advantage of this "teachable moment" and help your Medicare patients.
- You should encourage your Medicare patients to learn more about this new coverage because it may save them money on prescription drugs. There is extra help available for people with limited income and resources.
- If your Medicare patients ask you questions about the new coverage, you can refer them to 1-800-MEDICARE and to <http://www.medicare.gov> for information and assistance.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Clarifying Information for Fee-For-Service (FFS) Medicare Providers

Billing for Drugs Covered Under Part D

There has been some confusion among FFS providers regarding their ability to bill drugs covered under Part D, commonly referred to as "Medicare Prescription Drug Coverage." In short, being an enrolled provider in the FFS program does not impart Part D-related billing privileges. Medicare Part B covers a limited number of prescription drugs and biologicals.

Currently, covered Medicare drugs generally fall into three categories:

- Drugs furnished incident to a physician's service;
- Drugs furnished through a Medicare Part B covered item of durable medical equipment (DME); and
- Drugs specifically covered by statute (for example, oral immunosuppressive drugs).

These drugs continue to be covered and paid for under the FFS Medicare program (i.e., Part B) and FFS providers (e.g., physicians, hospitals, and pharmacies) will continue to bill their carriers, fiscal intermediaries, and durable medical equipment regional carriers (DMERCs) for these drugs. This coverage under Part B continues after the January 1, 2006 effective date for Part D. (For a more detailed discussion of Medicare Part B covered drugs, see

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B-Drugs/McrPartBDrugAvgSalesPrice/2013ASPFiles.html> on the CMS website.)

How Medicare Prescription Drug Coverage Will Be Administered

Medicare prescription drug coverage under Part D will be administered through Medicare Advantage Prescription Drug Plans (MA-PDs) and Prescription Drug Plans (PDPs). For a person with Medicare who joins an MA or a PDP, their provider must have a contractual relationship with that MA-PD or PDP to bill and receive payment from the MA-PDP or PDP for that individual's covered prescription drugs. This is true regardless of whether or not the provider is enrolled in the FFS Medicare program and billing FFS Medicare for Medicare Part B covered drugs.

Example: Suppose a pharmacy is currently receiving payment under Medicare Part B for an individual's Medicare Part B covered drug, albuterol, delivered through a nebulizer, which is considered to be DME. The pharmacy would, as they do today, bill the local DMERC for this drug. The same individual has joined a PDP and has coverage of albuterol delivered through a metered dose inhaler (which is not considered DME under Part B). The pharmacy can only bill the MA-PD or PDP for covered albuterol delivered through a metered dose inhaler if the pharmacy has a contractual relationship with that MA-PD or PDP.

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New Information on the Medicare Prescription Drug Coverage Information for Providers Web Page

The following new information can be found on the Medicare Prescription Drug Benefit Manual web page at <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/PartDManuals.html> on the CMS website.

Toolkit for Health Professionals: Medicare Prescription Drug Coverage

The Centers for Medicare & Medicaid Services (CMS) has released the Toolkit for Health Care Professionals: Medicare Prescription Drug Coverage, available as an Adobe PDF file (860Kb) at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/provtoolkit.pdf> on the CMS website. This toolkit includes downloadable educational materials specifically for physicians and other health care professionals and their staff to learn the basics about Medicare Prescription Drug Coverage. It also includes materials that can be distributed to Medicare patients. The kit contains reproducible artwork, a letter from the CMS Administrator, a fact sheet (English and Spanish), a brochure, an article, and a list of other resources. You may add your logo and business information to these materials and copy freely.

Limited Income? SSA Can Help - Posters to Display in Health Care Settings

Flat wall posters directing people with Medicare who have limited income to a number they can call to find out if they are eligible for help with prescription drug costs are available now. Posters are suitable for display in a physician's, provider's or supplier's office, a pharmacy, or other health care setting where people with Medicare will see this information. Easel posters are no longer available. To order, visit the MLN Product Ordering Page at http://cms.meridianksi.com/kc/main/kc_frame.asp?kc_ident=kc0001&loc=5 on the CMS website.

New Fact Sheets Available On the Medicare Web Site

The following fact sheets are now available at <http://www.medicare.gov> on the CMS website. These can help your patients better understand Medicare's new prescription drug coverage.

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New Publications Available on the CMS Website**Basic Questions and Answers About Prescription Drug Coverage**

We encourage you to use these basic questions and answers to respond to inquiries from people with Medicare: <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/answerkey-8-18-05.pdf> on the CMS website.

Additional Information

More information on provider education and outreach regarding drug coverage can be found at <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/index.html> on the CMS website.

Detailed drug coverage information for CMS partners and advocates for people with Medicare can be found at <http://www.cms.gov/Outreach-and-Education/Outreach/Partnerships/index.html> on the CMS website.

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