

Attention Physicians and Providers!



Medicare will delay claims payments during the last 9 days of fiscal year 2006 (September 22 through September 30).

For complete details, see MLN Matters article MM4349 at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM4349.pdf> on the CMS website.

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Medicare Part B versus Part D Drug Coverage Determinations

Provider Types Affected

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

Impact on Providers

This Special Edition article 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.

Affected physicians, pharmacists, providers, and their staff may also wish to review *MLN Matters* article number SE0570, which provides a good summary of Medicare's drug coverage under Parts A, B, and D of Medicare. That article is available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0570.pdf> on the CMS website.

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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.

Background

Part B – Medical Insurance

Medicare Part B 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. For more information on local coverage determinations, go to

<http://www.cms.gov/Medicare/Coverage/DeterminationProcess/LCDs.html> on the CMS website.

Part D – Prescription Drug Insurance

Part D-covered drugs are 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)

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;

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- 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; and
- 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.
- Drugs for the treatment of sexual or erectile dysfunction (beginning in 2007 for Medicare Part D beneficiaries)

For more detailed information about Part B drugs and Part D coverage, please refer MLN Matters article SE0570 or to the detailed report at http://www.cms.gov/PrescriptionDrugCovContra/Downloads/BvsDCoverage_07.27.05.pdf on the CMS website. This report provides excellent detail on the overall issue of Part B and Part D drugs. .

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. Assuming the indication on the script is sufficient to make the coverage determination, there is no need in such cases to require additional information to be obtained from the physician.

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.

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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 authorization 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.

CMS is not requiring physicians to fill out prescriptions in the manner described below; instead, it is suggested as a way to save time and bypass what may be a burdensome process of completing a prior authorization form and faxing it back.

For example, prednisone used for immunosuppression following Medicare covered transplants or methotrexate used for cancer would be Part B drugs for these diagnoses, but they would be *Part D* drugs if they were used to treat rheumatoid arthritis.

Using the CMS guidance outlined above, if prednisone is prescribed for rheumatoid arthritis:

- The Diagnosis is "Rheumatoid Arthritis;"
- The Statement of Status is "for Part D."

The information recommended by CMS for inclusion on the written prescription for prednisone prescribed for Rheumatoid Arthritis is "*Rheumatoid Arthritis for Part D*."

Note: This clarification should not be construed to indicate that a Part D plan may not impose prior authorization or other procedures to ensure appropriate coverage under the Medicare drug benefit.

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.

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

Additional Information

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

<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0570.pdf>;

http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/DueDiligenceQA_032406.pdf;

and

<http://www.cms.gov/Outreach-and-Education/Outreach/Partnerships/Downloads/determine.pdf> on the CMS website.

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