



Billing Medicare Part B for Insulin with New Limits on Patient Monthly Coinsurance



What's Changed?

We added more information on what type of insulin and insulin pumps CMS covers under Medicare Part B (page 2).

Substantive content changes are in dark red.

Section 11407 of the [Inflation Reduction Act](#) limits out-of-pocket spending on insulin for Medicare Part B patients. As of July 1, 2023:

- Medicare caps the Part B coinsurance for insulin used in a durable insulin pump at \$35 for a 1-month supply
- We don't apply the Part B deductible for the insulin

Insulin & Insulin Pumps for Patients with Diabetes

We cover diabetes supplies under Part B and Medicare drug plans (Part D). Part B covers durable, non-disposable insulin infusion pumps and the insulin used in those pumps. Covered durable insulin pumps are:

- Considered DME
- A DME benefit payable under Part B
- Supplied through a DME supplier or pharmacy
- Billed to your DME Medicare Administrative Contractor (MAC)

Part B **doesn't cover**:

- Disposable pumps
- Insulin used in disposable pumps
- Insulin for patients who inject it

However, a drug plan may cover these items. For more information on the difference between Part B and drug plan coverage, see [Medicare Coverage of Diabetes Supplies](#).

Affected Suppliers

- DME suppliers who provide insulin pumps
- Pharmacies that provide insulin pumps or insulin for the pump

Coinsurance & Deductible

Patient coinsurance for insulin used in a DME pump won't exceed:

- \$35 for a 1-month supply
- \$105 for a 3-month supply

The Part B deductible also won't apply for insulin used in a DME pump. For this insulin coinsurance limit, the pump must be a pump we cover under the DME benefit and payable under Part B.

Standard Medicare cost-sharing applies to the pumps, tubing, and any other supplies.

Payments to Suppliers & Pharmacies

We adjust payments to suppliers and pharmacies to account for the balance of the reduced coinsurance. Suppliers will get the insulin Medicare payment amount (average sales price plus 6%) minus any applicable coinsurance. The maximum monthly coinsurance is \$35.

For more than 1 claim in the same month, we apply the coinsurance cap to the first claim we process. DME MACs will make sure the coinsurance doesn't exceed \$35 per month or \$105 for a 3-month supply for claims billing for insulin a patient uses in an insulin pump we cover under the Part B DME benefit.

Your DME MAC ensures we pay you the Medicare payment amount minus the applicable coinsurance on the claim. For example, if the patient has met their coinsurance cap for the month on a previous claim submission, we won't apply coinsurance to any subsequent claims in the same month. Suppliers get the full Medicare payment amount.

Modifiers

Use these modifiers with HCPCS codes J1811, J1813, and J1817 to bill a 1-month or 3-month supply of insulin, as of July 1, 2023:

- JK – 1-month supply or less of drug or biological
- JL – 3-month supply of drug or biological

If you don't include 1 of these modifiers, your DME MAC will return the claim without processing it.

Resources

- [Change Request 13014](#)
- [Medicare Inflation Rebate Program](#)

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