

# Medicare Modernization Act

DHS MMA Project

## Medicare Part B Versus Part D Coverage Issues

### **Medicare Part A drugs are:**

- Administered to inpatients of hospitals or skilled nursing facilities.
- Bundled into the Medicare Part A payments made to these types of facilities.
- Not usually self-administered, but given via infusion or injection.

### **Medicare Part B drugs are:**

- Billed by physicians and provided in their offices, such as chemotherapy drugs.
- Billed by pharmacy suppliers and administered through durable medical equipment (DME), such as a respiratory drug given through nebulizer.
- Billed by pharmacy suppliers and self-administered by the patient, such as immunosuppressive and some oral anti-cancer drugs.
- Generally not self-administered.

### **Medicare Part B covered drugs include:**

- DME supply drugs (used with a covered piece of DME-infusion pump).
- Immunosuppressive drugs (if used for someone who has had a Medicare covered organ transplant).
- Hemophilia clotting factors.
- Oral anti-cancer drugs.
- Oral anti-emetic (anti-nausea) drugs.
- Pneumococcal vaccine.
- Hepatitis B vaccine (for people at high or intermediate risk)
- Influenza vaccine.
- Antigens (prepared by a physician-generally an allergist-and usually administered by a physician).
- Erythropoietin (for treatment of anemia for persons with chronic renal failure who are on dialysis).
- Parenteral nutrition (if it is being used for a non-functioning digestive tract).
- Intravenous Immune Globulin (IVIG-if provided in the home for primary immune deficiency disease).

**Medicare Part B covered drugs in the context of a professional service:**

- Drugs furnished “incident to” a physician’s service (injectable or infusion drugs not usually self-administered).
- Separately billable End Stage Renal Disease (ESRD) drugs, such as erythropoietin (EPI).
- Separately billable drugs provided in Hospital Outpatient Departments (if median cost to administer exceeds \$50).
- Drugs covered as supplies or “integral to a procedure,” (e.g. eye drops before cataract surgery).
- Blood and blood products.

**Medicare Part D excluded drugs:**

- “Any drug for which as prescribed and dispensed or administered to an individual, payments would be available under Part A or B of Medicare for that individual...”

**Crossover Part B and Part D drugs:**

“In determining whether to pay for a crossover drug under Part D, it would not be appropriate for a Part D plan to institute a general policy of requiring a Part B claim rejection, as a substitute for maintaining information on transplant status and paying claims based on that information. Such a policy would unnecessarily increase Part B contractor costs. Instead a prior authorization requirement would be appropriate.”

- Situations in which a billing entity would have to decide whether for a given drug (NDC) to bill Part B or Part D based on characteristics of the beneficiary or medical use of the drug (**Example:** An infusible DME supply drug would be billed to Part B if it is administered using an infusion pump, otherwise Part D would be billed).
- Situation where the form of the drug determines where it is covered (**Example:** An inhalation DME supply drug would be covered under Part B if it is used with a nebulizer, otherwise Part D would be billed).
- Situations where Part B coverage is in the context of another service (**Example:** Injectables dispensed by a pharmacy are not being “furnished” by a physician and would be Part D drugs).
- Completely unambiguous situations (**Example:** Blood clotting factors, antigens, Pneumococcal and influenza vaccines would not be a Part D benefit).

**CMS Guidance:**

- It would not be appropriate to routinely require a denial from Part A or Part B before making payment in lieu of prior authorization.
- If a Part D plan makes a payment for a drug and later determines that the drug was covered under Part B, then it should seek recovery from the billing entity.
- Any agents administered in the home via IV drip or push injection would be covered under Part D.
- If IVIG is used for any diagnosis other than primary immune deficiency disease, then it is a Part D drug.
- Parenteral nutrition is covered under Part D if the diagnosis is anything other than a non-functioning digestive tract.
- If there is an oral anti-cancer agent whose only medically accepted indication is as an anti-cancer agent, then drug plans should deny it, otherwise it would be a Part D drug.
- *CMS requires* that the prescribing physician indicate on the prescription that the oral anti-emetic (anti-nausea) drug is being used “as a full therapeutic replacement for an intravenous anti-emetic drug as part of a cancer chemotherapeutic regimen.”
- If an injectable drug was covered under Part B in a provider setting, it will continue to be covered under Part B in that setting (e.g. influenza vaccine).
- There is no basis for denying a prescription presented at a pharmacy based on the availability of Part B coverage in another setting (e.g. physician office).
- Antigens are covered only under Part B.
- Medical foods such as enteral nutrients are not regulated as a drug, therefore these products cannot be covered by Part D plans.