Medicare Prescription Drug Benefit
Part B vs Part D Home Infusion Perspective

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Operations
Centers for Medicare & Medicaid Services
San Francisco, California

March 28th, 2013
• An agency of Health and Human Services
• Oversees
  – Medicare (50.7 million beneficiaries)
  – Medicaid (56.6 million beneficiaries)
  – Children’s Health Insurance Program (5.9 million beneficiaries)

CMS serves 1 in 3 Americans
Medicare – The Beginning

• Medicare and Medicaid enacted in 1965
• Implemented in 1966
• Over 19 million enrolled on July 1

President Johnson signs Medicare into law. President and Mrs. Truman get the first and second Medicare cards.
Two Primary Lines of Business

• “Original Medicare”
  – Fee for Services Rendered
  – **DFMFFSO** (Division of Financial Management and Fee For Service Operations)

• Medicare Health and Drug Plans
  – Medicare Advantage Plans (HMOs, etc.)
  – Prescription Drug Plans
  – PACE program
  – **DMHPO** (Division of Medicare Health Plans Operations)
Appendix A

Your Medicare Coverage Choices

There are two main choices for how you get your Medicare coverage. Use these steps to help you decide.

**Step 1**
Decide if You Want Original Medicare or a Medicare Advantage Plan

*Original Medicare Includes Part A (Hospital Insurance) and/or Part B (Medical Insurance)*
- Medicare provides this coverage directly.
- You have your choice of doctors, hospitals, and other providers that accept Medicare.
- Generally, you or your supplemental coverage pay deductibles and coinsurance.
- You usually pay a monthly premium for Part B.

*Medicare Advantage Plan (like an HMO or PPO)*
- Part C—Includes BOTH Part A (Hospital Insurance) and Part B (Medical Insurance)
- Private insurance companies approved by Medicare provide this coverage.
- In most plans, you need to use plan doctors, hospitals, and other providers, or you may pay more or all of the costs.
- You usually pay a monthly premium (in addition to your Part B premium) and a copayment or coinsurance for covered services.
- Costs, extra coverage, and rules vary by plan.

**Step 2**
Decide If You Want Prescription Drug Coverage (Part D)

*If you want this coverage, you must join a Medicare Prescription Drug Plan. You usually pay a monthly premium.*
- These plans are run by private companies approved by Medicare.

**Step 3**
Decide If You Want Supplemental Coverage

*You may want to get coverage that fills gaps in Original Medicare coverage. You can choose to buy a Medigap (Medicare Supplement Insurance) policy from a private company.*
- Costs vary by policy and company.
- Employers/unions may offer similar coverage.

Note: If you join a Medicare Advantage Plan, you don’t need a Medigap policy. If you already have a Medigap policy, you can’t use it to pay for out-of-pocket costs you have in the Medicare Advantage Plan. If you already have a Medicare Advantage Plan, you can’t be sold a Medigap policy.

In addition to Original Medicare or a Medicare Advantage Plan, you may be able to join other types of Medicare health plans.
What are the Four Parts of Medicare?

Part A
Hospital Insurance

Part B
Medical Insurance

Part C
Medicare Advantage Plans, like HMOs and PPOs
Includes Part A & B and usually Part D coverage

Part D
Medicare Prescription Drug Coverage
Original Medicare

• Part A – Hospital Insurance
  – Hospital
  – Skilled Nursing Facility
  – Home health care
  – Hospice care

• Part B – Medical Insurance
  – Doctor’s visits
  – Outpatient hospital services
  – Clinical lab tests
  – Durable Medical Equipment
  – Preventive services
NOT Covered by Part A or Part B

- Long-term or custodial care
- Routine dental care
- Dentures
- Cosmetic surgery
- Acupuncture
- Routine vision care
- Hearing aids and exams for fitting hearing aids
Part C – Medicare Advantage

• Health plan options approved by Medicare
  – Another way to get Medicare coverage
  – Still part of the Medicare program
  – Run by private companies

• Medicare pays certain amount for each member’s care

• May have to use network doctors or hospitals
How Medicare Advantage Works

• Still in Medicare with all rights and protections
• Still get Part A and Part B services
• You may have to visit network doctors/hospitals
• Most plans include prescription drug coverage
• May include extra benefits
  – Like vision or dental
• Benefits and cost-sharing vary
• Plans may have a monthly premium
• Plans have an Out-of-Pocket maximum
Part D – Medicare Prescription Drug Coverage

• Drug plans approved by Medicare
• Run by private companies
• Available to everyone with Medicare
• Must be enrolled in a plan to get coverage
• Coverage provided through
  – Medicare Prescription Drug Plans (PDP)
  – Medicare Advantage Plans MAPD)
  – Other Medicare plans
• There is a monthly plan premium
• Some plans have deductibles
• All plans have copayments
How Do You Access Covered Drugs?

- Plans must cover range of drugs in each category
- Coverage and rules vary by plan
- Plans can manage access to drug coverage through
  - Formularies (list of covered drugs)
  - Prior authorization (doctor requests before service)
  - Step therapy (type of prior authorization)
  - Quantity limits (limits quantity over period of time)
Part D-Covered Drugs

Prescription brand-name and generic drugs

- Approved by Food and Drug Administration (FDA)
- Used and sold in United States
- Used for medically-accepted indications

Includes drugs, biological products, and insulin

- Supplies associated with injection or inhalation
Drugs Excluded By Law Under Part D

- Anorexia, weight loss or weight gain drugs
- Erectile dysfunction drugs when used for the treatment of sexual or erectile dysfunction
- Fertility drugs
- Drugs for cosmetic or lifestyle purposes (e.g., hair growth)
- Drugs for symptomatic relief of coughs and colds
- Prescription vitamin and mineral products (except prenatal vitamins and fluoride preparations)
- Non-prescription drugs
Ms. Smith joins the ABC Prescription Drug Plan. Her coverage begins on January 1, 2013. She doesn’t get Extra Help and uses her Medicare drug plan membership card when she buys prescriptions.

<table>
<thead>
<tr>
<th>Monthly Premium – Ms. Smith pays a monthly premium throughout the year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Smith pays the first $325 of her drug costs before her plan starts to pay its share.</td>
</tr>
</tbody>
</table>
DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR BENEFICIARY CHOICES

March 7, 2006

Memorandum To: All Part D Sponsors

Subject: Home Infusion Therapy

From: Gary Bailey, Deputy Director, Center for Beneficiary Choices

As we move into the third month of implementing the Medicare Drug Benefit, we want to clarify for prescription drug plan sponsors the Part D benefit for home infusion therapy as we are hearing numerous complaints in this area. We believe that your review of this letter and attachments will assist us in making this benefit more effective for your members.

As you are aware, we require coverage of home infusion drugs under Part D that are not currently covered under Parts A and B of Medicare. Although the Medicare Part D benefit does not cover equipment, supplies, and professional services associated with home infusion therapy, it does cover the ingredient costs and dispensing fees associated with infused covered Part D drugs. Please refer to Attachment I to this letter which describes the payment obligations under Medicare for home infusion therapy.

Clear Directions to Access Home Infusion Pharmacy

We have been hearing complaints about the inability of beneficiaries and their providers to identify and access in-network systems capable of delivering home infusion drugs covered under Medicare Part D. We remind plan sponsors that they need to have in place through their customer and provider service lines clear directions on how to contact an in-network pharmacy for appropriate coverage of Part D home infused drugs.

Home Infusion Drugs Must be Provided In a Usable Form

We have been hearing complaints about beneficiaries receiving drugs to be used for their home
## Payment of Home Infusion Therapy for Medicare Beneficiaries

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Part A Home Health</th>
<th>Part B DME Benefit</th>
<th>Part C Medicare Advantage</th>
<th>Part D Prescription Drug Plan</th>
<th>State Medicaid Program</th>
<th>Other Payer Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebound and in need of part-time or intermittent skilled nursing or therapy services, if such services are reasonable and necessary to the treatment of the illness or injury.</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Provided that coverage is not available through Parts A, B, C, or D of Medicare, Medicaid home health benefit may cover services, equipment and supplies necessary to administer home infusion drugs.</td>
<td>Varies, but generally like Part C</td>
</tr>
<tr>
<td><strong>Professional Fees</strong></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes – May be billed separately or as part of bundled rate</td>
<td>Varies, but generally like Part C</td>
</tr>
<tr>
<td><strong>Equipment and Supplies</strong></td>
<td>Yes – Home Health Therapy responsible for providing hydration fluid and IV supplies if infusion is provided via gravity feed method</td>
<td>Yes – Supplies are billed separately by a DME vendor to appropriate DME Regional Carrier</td>
<td>Yes – Included in per diem payment (generally bundled)</td>
<td>No – Cost of supplies, equipment, and professional fees must be covered via Medicare Parts A or B, Medicaid Advantage Plan, Medicare, other insurance, or out-of-pocket</td>
<td>Yes – May be billed separately or as part of bundled rate</td>
<td>Varies, but generally like Part C</td>
</tr>
<tr>
<td><strong>Drug Ingredient and Dispensing Fee</strong></td>
<td>No – Drugs and biologics are specifically excluded from the Part A home health benefit except those that are considered supplies for DME and certain osteoporosis drugs (calcitonin, forteo)</td>
<td>Yes – As part of DME benefit</td>
<td>No (must now be covered under Part D)</td>
<td>Yes</td>
<td>No – Unless drugs are included in bundled rate, which does not trigger Medicaid FFP exclusion</td>
<td>Varies, but generally like Part C</td>
</tr>
</tbody>
</table>

Attachment 1
Home Infusion Coordination Decision Tree

First Decision Point

If this is not a Part B drug, question or discharge planer at hospital or physician’s office: How does the beneficiary’s Part D Plan cover home infusion drugs?

The Beneficiary’s Part D Plan’s network includes a home infusion provider that can (1) deliver the Part D home infusion drug and (2) provide professional services and supplies associated with home infusion therapy.

Second Decision Point

Is there another entity such as a home health agency, VNA, etc. that can arrange for the provision of services and supplies necessary for the administration of H-infusion drug?

Dual Eligible Beneficiary?

YES

Part D home infusion pharmacy coordinates and arranges for ancillary service and supplies. Contact State as in 505.

Part D contracted pharmacy. Are there assurances that ancillary services will be covered through Medicare Part A, B, or C, third party insurance, or other arrangement?

NO

Dual Eligible Beneficiary?

YES

Part D contracts pharmacy ensures the home health agency, VNA, or other entity is working with the State to arrange coverage for ancillary services.

NO

Home infusion therapy drugs and Beneficiaries have the option of paying for...

NO

Home infusion therapy drugs and Beneficiaries have the option of paying for...
# Advance Beneficiary Notice of Noncoverage (ABN)

A. Notifier: 

B. Patient Name: 

C. Identification Number: 

## Advance Beneficiary Notice of Noncoverage (ABN)

**NOTE:** If Medicare doesn’t pay for D. ______ below, you may have to pay. Medicare does not pay for everything, even some care that you or your health care provider have good reason to think you need. We expect Medicare may not pay for the D. ______ below.

<table>
<thead>
<tr>
<th>D.</th>
<th>E. Reason Medicare May Not Pay</th>
<th>F. Estimated Cost</th>
</tr>
</thead>
</table>

### WHAT YOU NEED TO DO NOW:

- Read this notice, so you can make an informed decision about your care.
- Ask us any questions that you may have after you finish reading.
- Choose an option below about whether to receive the D. ______ listed above.

#### Note:

- Option 1: I want the D. ______ listed above. You may ask to be paid now, but I also want Medicare billed for an official decision on payment, which is sent to me on a Medicare Summary Notice (MSN). I understand that if Medicare doesn’t pay, I am responsible for payment, but I can appeal to Medicare by following the directions on the MSN. If Medicare does pay, you will refund any payments I made to you, less co-pays or deductibles.
- Option 2: I want the D. ______ listed above, but do not bill Medicare. You may ask to be paid now as I am responsible for payment. I cannot appeal if Medicare is not billed.
- Option 3: I don’t want the D. ______ listed above. I understand with this choice I am not responsible for payment, and I cannot appeal to see if Medicare would pay.

### H. Additional Information:

This notice gives our opinion, not an official Medicare decision. If you have other questions on this notice or Medicare billing, call 1-800-MEDICARE (1-800-633-4227/TTY: 1-877-486-2048).

Signing below means that you have received and understand this notice. You also receive a copy.

### I. Signature: 

### J. Date:

Form CMS-8-131 (06/11) Form Approved OMB No. 0938-0168
Home Health Advance Beneficiary Notice (HHABN) History

Prior to 2006 the HHABN was a CMS-approved written notice (Form CMS-R-296) with a single purpose:

- Issued by home health agencies (HHAs)
- For usually covered Medicare items and services that won’t be covered in this instance because it is not medically reasonable and necessary
- Given to Original Medicare (Fee-For-Service) beneficiaries
- Notifies the beneficiary that Medicare will not or won’t pay for an item or service
Expanded Use and Option Boxes

In 2006, the HHABN gained additional notification capabilities following the U.S. Court of Appeals (2nd Circuit) decision in *Lutwin v. Thompson* and in accordance with HHA conditions of participation (COPs) in §1891 of the Act.

Per §1891, beneficiaries must receive written notification when certain changes in their care occur.
Home Health Advance Beneficiary Notice (HHABN)

Option Box 1 (liability notice)

We, ______________, your home health agency, are letting you know that we are including the following items and services:

Because:

If you have questions about these changes, you can call us at ( ) .
TTY users should call ( ).

The estimated cost of the items and services listed above is $ ____________ .

If you have other insurance, please see number 3 below.

You have three options available to you. You must choose only one of these options by checking the box next to the option and then signing below:

1. I don't want the items and/or services listed above. I understand that I won't be billed and that I have no appeal rights since I will not receive those items and/or services.

2. I want the items and/or services listed above, and I agree to pay myself since I don't have a claim submitted to Medicare or any other insurance I have. I understand that I have no appeal rights since a claim won't be submitted to Medicare.

3. I want the items and/or services listed above, and I agree to pay for the items and/or services myself if Medicare or my other insurance doesn't pay. Send the claim to (Please check one or both boxes):
   - Medicare
   - My other insurance

Please note: If you select option 3 and a claim is submitted to Medicare, you will get a Medicare Summary Notice (MSN) showing Medicare's official payment decision. If the MSN indicates that Medicare won't pay all or part of your claim, you may appeal Medicare's decision by following the appeal procedures in the MSN. If you don't receive a MSN for your claim, you can call Medicare at: 1-800-633-4227. TTY 1-877-486-2048. You may have to pay the full cost at the time you get the items and/or services. If Medicare or your other insurance decides to pay for all or part of the items and/or services that you have already paid for, you should receive a refund for the appropriate amount.

By signing below, I understand that I received this notice because this Home Health Agency believes Medicare will not pay for the items/services listed, and so I chose the option checked above.

Patient's Name

Signature of the Patient or of the Authorized Representative

Please read and sign this notice. Return it to us or mail it to our address listed above.

Form No. CMS-R-294 (10/31/2012) OMB Approval No. 0938-0761
Case #1

• FFS Medicare Beneficiary, Medigap and Part D coverage (PDP)
• 72 year old female post knee surgery
• One week post op, physician at the Medical Center prescribed 6 weeks of IV Vancomycin every 8 hours upon discharge
• Husband plans to administer the IV antibiotic at home
• Home Health Nurse monitors her liver function and other labs, paid by Medicare Part B

• Issue/questions:
  – Who pays for the $455/week for ABC Infusion Company and supplies?
  – Delivery charge (weekly)?
  – Hanger, syringes, and maintenance of PICC line?
  – Combining the drugs with saline solution?
  – Monitoring weekly supplies needed?
  – Dosing schedule and educating husband/patient?
Case # 2

- MAPD Medicare beneficiary
- 88 year old single male with TPN therapy
- Living in an Assisted Living Facility (ALF)
- Diagnosis is Crohn's disease

**Issue/questions:**
- Prior authorization from MAPD Plan?
- What is the cost to the beneficiary?
- Is there a delivery charge?
- Who pays for the supplies?
- Home Health Care services (teaching, labs)?
- Who administers?
For More Information
Websites:
www.medicare.gov
www.cms.gov
www.socialsecurity.gov
Publications:
Medicare & You handbook, CMS Pub. #10050
Your Guide to Medicare Prescription Drug Coverage, CMS Pub. # 11109
1-800-MEDICARE (1-800-633-4227)
http://www.cms.gov/PrescriptionDrugCovContra/12_PartDManuals.asp
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