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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

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**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

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**MEDICARE PRESCRIPTION DRUG COVERAGE**

This section describes the coordination of benefits between the Medicare program and the Louisiana Medicaid program for dual-eligibles.

**Medicare**

Medicare was enacted by Congress as part of the Social Security Amendments of 1965. It is a federal program managed by the Centers for Medicare and Medicaid Services (CMS). The state of Louisiana has no authority over the rules and laws that govern the Medicare Program.

For additional information concerning the Medicare program, visit CMS' website. (See Section 37.5.4 for contact information).

**Medicare Part B Crossover Claims**

Medicare Part B covers a limited number of outpatient prescription drugs.

Medicare crossover claims are claims that have been approved for payment by Medicare and sent to Medicaid for payment towards the Medicare deductible and coinsurance.

Medicaid will only pay a crossover claim for beneficiaries who are Qualified Medicare Beneficiaries (QMBs) when the service is covered by Medicaid. Other claims will deny as "non-covered".

Coinsurance and deductibles are reimbursed through the Point of Sale (POS) system for covered Medicare Part B drugs and supplies when a dual-eligible individual is enrolled in the Medicare Advantage (Part C) Plan. The claims must be submitted to the Medicare Advantage Plan for payment prior to submitting to Medicaid as a coordinated claim.

**Medicare Crossover Claims Submission**

The provider must send claims for service provided to dual-eligible beneficiaries to the Medicare carrier or intermediary for processing. Medicare will send the provider an explanation of Medicare benefits after the claim is processed. If Medicare has approved the claim, Medicaid will pay the deductible and/or coinsurance.

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

---

Medicare crossover claims are submitted to the Medicaid fiscal agent by one of the following methods:

1. An electronic submission generated automatically by the Medicare intermediary or carrier; or
2. A paper submission by the provider that includes the claim and the Explanation of Medicare Benefits (EOMB).

**Automated Crossover Carrier/Intermediary**

The automated Medicare intermediary/carrier for Part B prescription drugs is Cigna, also known as DMERC (Durable Medical Equipment Regional Carrier).

The provider may contact the National Supplier Clearinghouse. (See Section 37.5.4 for contact information).

**General Medicare Part B Crossover Reimbursement Policies****Provider Participation**

A provider must be enrolled as a Medicaid provider in order to submit Medicare crossover claims.

**Time Limits**

The time limit for filing crossover claims with the Medicaid Program is six months from the date of the Medicare adjudication of the claim, providing the claim was filed timely with Medicare (12 months from the date of service).

**Reimbursement**

Payment allowance limits for Medicare Part B drugs and biologicals that are not paid on a cost or prospective payment basis are 106 percent of the Average Sales Price (ASP).

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

---

**Mandatory Assignment on all Drugs**

Under Section 114 of the Federal Benefits Improvement and Protection Act of 2000, payment for any drug or biological covered under Part B of Medicare may be made only on an assignment-related basis. Therefore, no charge or bill may be rendered to anyone for these drugs and biologicals for any amount except for any applicable unmet Medicare Part B deductible and coinsurance amounts.

Assignment is an agreement between the provider and the beneficiary. The provider agrees to accept the Medicare-approved amount as full payment for covered items or services.

If the provider accepts assignment, the beneficiary pays only 20 percent of the Medicare-approved charge, plus any portion of the unmet deductible. The beneficiary is not responsible for charges over the Medicare-approved amount.

Pharmacy providers who have agreed to accept assignment on all of their services are called “participating” providers. These providers always accept the Medicare-approved amount as payment in full for covered services.

Providers who choose to participate must do so for the calendar year. Providers who do not participate may still accept assignment on a claim-by-claim basis.

**Coordination of Benefits with Part B**

Pharmacy claim reimbursement must be coordinated with Medicare Part B and any private insurance plan in which a beneficiary is enrolled. Medicare may be primary or secondary to a private insurance plan. To determine whether Medicare is primary, contact Medicare. (See Section 37.5.4 for contact information).

**Answers to Questions**

If providers have questions or concerns about Medicare claim processing or Medicare policy, they must follow Medicare’s procedures for resolving those issues.

If there are problems or concerns regarding Medicaid’s payment of crossover claims, the provider should contact the fiscal intermediary.

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

---

**Medicare Part B Outpatient Drug Coverage**

Medicare Part B covers a limited number of outpatient prescription drugs. Medicare Part B covers oral anticancer drugs, antiemetics, diabetic supplies, glucometers, antihemophilia factor products, oral immunosuppressive drugs, nebulizer medication and other medications. Providers must be enrolled as Medicare suppliers and must bill Medicare first if the beneficiary receives Medicare benefits. Medicaid will pay any applicable deductibles and coinsurances. Pharmacy providers must accept assignment on Medicare-covered prescription drugs.

Listed below are some of the outpatient drugs covered by Medicare and their payment criteria, if applicable.

**Note:** Refer to DMERC and the local Part B carrier for complete coverage information and updated the Healthcare Common Procedure Coding System (HCPCS) codes utilized in claim submissions.

**Immunosuppressive Drugs**

Immunosuppressive drugs are covered only for Medicare covered transplants. When a prescription is filled for these drugs and the individual is not an organ transplant beneficiary or Medicare Part B did not cover the transplant, refer to the Medicare Part D prescription drug plan.

**Oral Cancer Chemotherapy Drugs**

Medicare Part B provides coverage of oral, self-administered, anticancer chemotherapeutic agents.

These drugs must be billed with National Drug Code (NDC) System.

**Antiemetic Drugs**

When oral antiemetic drugs are used in conjunction with intravenous cancer chemotherapeutic regimens, pharmacies shall bill Medicare first. The oral medication must be used as a complete therapeutic substitute for an IV antiemetic at the time of chemotherapy treatment, and must not exceed a 48-hour dosage regimen.

**Nebulizer Drugs**

Medicare will pay for medications used in a nebulizer for those beneficiaries eligible for Medicare Part B. Refer to the Medicare Part D prescription drug plan when the beneficiary is in a long term care facility.

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

---

**Diabetic Supplies**

Medicare Part B covers diabetic supplies (lancets, lancet devices, glucose control solutions and blood glucose strips). Glucometers are covered in some instances.

Diabetic supplies and glucometers for long-term care beneficiaries are covered in the nursing home per diem rate. It is allowable for Medicare Part B to be billed if the long-term care beneficiary is eligible for the benefit. Medicaid is not obligated to pay the coinsurance and deductible if the items are included in the Medicaid per diem. The Medicaid fiscal intermediary will automatically deny any crossover claims for diabetic supplies for long-term care beneficiaries.

**Dispensing/Supply Fees**

Medicare reimburses for dispensing/supply fees when submitted with certain Part B payable drug claims. Dispensing fees are associated with nebulizer drugs. Supply fees are associated with oral anticancer drugs, oral antiemetic drugs or immunosuppressive drugs.

**Antihemophilia Drugs**

Claims submitted by pharmacy providers for blood clotting factors shall be processed by the local Part B carrier. The local Medicare Part B carrier for the state of Louisiana is Novitas Solutions, Inc. (See Section 37.5.4 for contact information).

**Medicare Part D Outpatient Drug Coverage**

Medicare Part D covered drugs include most prescription drugs, biological products, certain vaccines, insulin and medical supplies associated with the injection of insulin (syringes, needles, alcohol swabs and gauze). Some drugs will be excluded from Medicare Part D coverage as they are part of the Medicaid non-mandatory coverage provisions under sections 1927 (d)(2) and (d)(3) of the Social Security Act, or they are covered by Medicare Part A or B. The one exception is smoking cessation products, such as nicotine patches and gum, which will be covered by Medicare Part D. Reimbursement of prescription claims are determined by each individual prescription drug plan.

Medicare Part D will not cover those medications reimbursed by Medicare Part B. However, should Medicare Part B deny coverage because the drug does not meet the criteria for a Part B covered indication, the pharmacy provider should contact the Part D prescription plan.

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

---

**Medicaid Coverage for Other Excluded Part D Drugs**

To the extent that the Louisiana Medicaid Program covers the following Medicare excluded drugs for Medicaid beneficiaries who are not full benefit dual Part D eligibles, Medicaid will be required to cover the excluded drugs for full benefit dual-eligibles.

All existing Pharmacy Program limits, co-payments and reimbursement policies apply to the Part D excluded prescriptions paid by the Medicaid program.

Prescription Drug Program (PDP) or Medicare Advantage Plan (MA PD) non-preferred drugs are not covered, as there is a Medicare appeal process to obtain these medications.

The following excluded drugs are covered by the Medicaid program unless they are covered by Medicare Part B or Part D:

1. Agents when used for anorexia, weight loss or weight gain (Orlistat only);
2. Agents when used to promote fertility when used for non-fertility treatment as described under specific state criteria;
3. Agents when used for cosmetic purposes or hair growth (Isotretinoin only);
4. Agents when used to promote smoking cessation as described under specific state criteria;
5. Prescription vitamins and mineral products, except prenatal vitamins and fluoride:
  - a. Vitamin A preparations;
  - b. Vitamin B preparations;
  - c. Vitamin C preparations;
  - d. Vitamin D preparations;
  - e. Vitamin E preparations;
  - f. Geriatric vitamin preparations;

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

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- g. Pediatric vitamin preparations;
  - h. Vitamin K preparations;
  - i. Vitamin B 12 preparations;
  - j. Folic Acid preparations;
  - k. Niacin preparations;
  - l. Vitamin B6 preparations;
  - m. Vitamin B1 preparations;
  - n. Multivitamin preparations;
  - o. Magnesium salt replacement;
  - p. Calcium replacement; and
  - q. Urinary pH modifiers (Phosphorus).
6. Nonprescription drugs:
- a. Sodium Chloride inhalation agents;
  - b. Contraceptives, topical;
  - c. Urinary pH modifiers;
  - d. Antihistamines (Diphenhydramine only);
  - e. 2<sup>nd</sup> Generation Antihistamines; and
  - f. 2<sup>nd</sup> Generation Antihistamine – Decongestant Combinations.

The Medicaid program provides coverage for the following items, which are not covered under 1927(d) (2) of the Social Security Act to all Medicaid beneficiaries, including full benefit dual-eligibles unless Medicare Part B or Part D plans reimburse for the following items:

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**16CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

---

**SECTION 37.5.7 – MEDICARE PRESCRIPTION DRUG COVERAGE****PAGE(S) 8**

---

1. OTC Vitamin D preparations;
2. OTC Vitamin E preparations;
3. OTC Niacin preparations;
4. OTC Calcium replacement agents;
5. OTC Magnesium replacement agents;
6. OTC Phosphate replacement agents;
7. OTC Iron replacement agents;
8. Normal saline and Heparin flushes;
9. Diabetic supplies; and
10. Family planning items.

**Co-payments**

The Medicaid co-payment schedule will apply for prescriptions for Part D excluded drugs that are covered by Medicaid.