
CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES

**SECTION 37.7: MEDICARE PRESCRIPTION DRUG
COVERAGE**

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37.7 MEDICARE PRESCRIPTION DRUG COVERAGE

Overview

Introduction	This Section describes the coordination of benefits between the Medicare program and Louisiana Medicaid for dual eligibles.
In This Section	<p>This Section contains:</p> <ul style="list-style-type: none">MedicareMedicare Part B Crossover ClaimsGeneral Medicare Part B Crossover Reimbursement PoliciesMedicare Part B Outpatient Drug CoverageMedicare Part D Outpatient Drug Coverage

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37.7.1 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.

Medicare Part A Medicare Hospital Insurance, referred to as Part A, provides coverage for medically-necessary inpatient hospital care, specified skilled nursing care, specified services of a home health agency, and other services.

Medicare imposes cost sharing expenses by requiring deductible and coinsurance amounts that are paid by the Medicare beneficiary, a supplemental insurance policy, or Medicaid.

Medicare Part B Medicare Supplemental Medical Insurance, referred to as Part B, provides basic health care coverage for the services provided by doctors, suppliers, therapists, and other health care providers.

Medicare imposes cost sharing expenses by requiring deductible and coinsurance amounts that are paid by the Medicare beneficiary, a supplemental insurance policy, or Medicaid.

Medicare Part C A Medicare Advantage Plan (formerly Medicare + Choice) allows beneficiaries to enroll in private health plans. These health plans administer the Medicare benefits. Beneficiaries must be enrolled in Part A and Part B to be eligible.

Medicare Part D The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA) made prescription drug coverage, also known as Medicare Part D, available to all Medicare beneficiaries. Prescription drug coverage will be available through private prescription drug plans (PDPs), which offer only prescription drug coverage, and Medicare Advantage Plans (MA PDs), which offer drug coverage integrated with the health coverage provided by the managed care plan.

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37.7.2 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.

For those individuals who are QMB only, Medicaid will pay a crossover claim only if the service is covered by Medicaid, otherwise the claim will deny as non-covered.

Coinsurance and deductibles are reimbursed through the POS system for covered Medicare Part B drugs and supplies when a dual eligible is enrolled in 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.

Note: Refer to Section 37.3.3 Eligibility Groups for detailed information.

**Medicare Crossover
Claims Submission**

After providing a service to a dual-eligible recipient, the provider sends a claim to its Medicare carrier or intermediary. After Medicare processes the claim, it sends the provider an explanation of Medicare benefits. If Medicare has approved the claim, Medicaid will pay the deductible and/or coinsurance.

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

- An electronic submission generated automatically by the Medicare intermediary or carrier; or
 - A paper submission by the provider that includes the claim and Explanation of Medicare Benefits (EOMB).
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**Automated Crossover
Carrier/ Intermediary**

The automated Medicare intermediary/carrier for Part B prescription drugs is Cigna (also known as DMERC).

The provider may contact the National Supplier Clearinghouse at 866-238-9652.

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37.7.3 GENERAL MEDICARE PART B CROSSOVER REIMBURSEMENT POLICIES

Provider Participation	<hr/> A provider must be enrolled as a Medicaid provider in order to submit Medicare crossover claims. <hr/>
Time Limits	<hr/> The time limit for filing crossover claims to Louisiana Medicaid is six months from the date of the Medicare adjudication of the claim, providing the claim was filed timely with Medicare (twelve months from the date of service). <hr/>
Reimbursement	<hr/> Effective January 1, 2005, the payment allowance limits for Medicare Part B drugs and biologicals that are not paid on a cost or prospective payment basis are one hundred and six (106) percent of the Average Sales Price (ASP). <hr/>
Mandatory Assignment on all Drugs	<hr/> 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 twenty (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. <hr/>
Coordination of Benefits with Part B	<hr/> Pharmacy claim reimbursement must be coordinated with Medicare Part B and any private insurance plan in which a recipient is enrolled. Medicare Part B Medicare may be primary or secondary to a private insurance plan. To determine whether Medicare is primary or not, contact Medicare at 1-800-999-1118. <hr/>

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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.

37.7.4 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 some other medications. Providers must be enrolled as Medicare suppliers and must bill Medicare first if the recipient 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 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 patient 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 NDC numbers.

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 forty-eight hour dosage regimen.

Nebulizer
Drugs

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

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**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 recipients are covered in the nursing home per diem rate. It is allowable for Medicare Part B to be billed if the long term care recipient 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 recipients.

**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 Louisiana is Blue Cross/Blue Shield of Arkansas (1-800-462-9666).

37.7.5 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.

**Medicaid Coverage
for Excluded
Drugs**

To the extent that the Louisiana Medicaid Program covers the following Medicare excluded drugs for Medicaid recipients 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 Louisiana Medicaid Pharmacy Program limits, co-payments and

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reimbursement policies apply to the Part D excluded prescriptions paid by Louisiana Medicaid.

Louisiana Medicaid will not cover PDP or MA PD non-preferred drugs, as there is a Medicare appeal process to obtain these medications.

The following excluded drugs are covered by Louisiana Medicaid unless they are covered by Medicare Part B or Part D.

- Benzodiazepines
- Barbiturates
- Agents when used for anorexia, weight loss or weight gain (Orlistat only);
- Agents when used to promote fertility when used for non-fertility treatment as described under specific state criteria;
- Agents when used for cosmetic purposes or hair growth (Isotretinoin only);
- Agents when used to promote smoking cessation as described under specific state criteria;
- Prescription vitamins and mineral products, except prenatal vitamins and fluoride:
 - Vitamin A preparations;
 - Vitamin B preparations;
 - Vitamin C preparations;
 - Vitamin D preparations;
 - Vitamin E preparations;
 - Geriatric Vitamin preparations;
 - Pediatric Vitamin preparations;
 - Vitamin K preparations;
 - Vitamin B 12 preparations;
 - Folic Acid preparations;
 - Niacin preparations;
 - Vitamin B6 preparations;
 - Vitamin B1 preparations;
 - Multivitamin preparations;
 - Magnesium salt replacement;
 - Calcium replacement; and
 - Urinary pH modifiers (Phosphorus).
- Nonprescription drugs:
 - Sodium Chloride inhalation agents;
 - Contraceptives, topical;
 - Urinary pH modifiers;
 - Antihistamines (Diphenhydramine only);
 - 2nd Generation Antihistamines; and
 - 2nd Generation Antihistamine – Decongestant Combinations

The Louisiana Medicaid agency provides coverage for the following items which are not covered under 1927(d)(2) of the Social Security Act to all Medicaid recipients, including full benefit dual eligibles.

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The following excluded items are covered by Louisiana Medicaid unless Medicare Part B or Part D plans reimburse for these items.

- OTC Vitamin D preparations;
- OTC Vitamin E preparations;
- OTC Niacin preparations;
- OTC Calcium replacement agents;
- OTC Magnesium replacement agents;
- OTC Phosphate replacement agents;
- OTC Iron replacement agents;
- Normal Saline and Heparin flushes;
- Diabetic Supplies; and
- Family Planning items.

Co-payments

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