

Bulletin: MSA 09-45

Distribution: Pharmacies, Nursing Facilities, County Medical Care Facilities, Hospital Long-Term Care Units, Hospital Swing Beds, Ventilator Dependent Units

Issued: August 1, 2009

Subject: Reminder on Beneficiary Pharmacy Insurance Deductible, Coinsurance, Co-Pays, and Premiums

Effective: Upon Receipt

Programs Affected: Medicaid

THIS BULLETIN MUST BE SHARED WITH THE NURSING FACILITY AND PHARMACY BILLING DEPARTMENTS.

The purpose of this bulletin is to remind and give additional information about Medicaid policy on the coordination of benefits with pharmacy insurance as announced in the Medicaid nursing facility letter – L 06-12 – issued April 2006.

BENEFICIARIES LIABILITY UNDER MEDICARE PART D

Beneficiaries who are enrolled in Medicaid and Medicare are considered dual eligibles. Dual eligibles, who reside in nursing facilities, do not have to pay premiums, co-insurance, deductibles and co-pays for prescription drugs if they are enrolled in a Medicare Part D plan. *However, the Medicare Part D benefit requires that Medicaid make a payment(s) for nursing facility care for one full calendar month before the dual eligible is exempt from prescription drug co-pays.*

Under either Medicare or Medicaid, **a nursing facility is not responsible** for paying the pharmacy for a beneficiary's liability (co-pays, deductibles, and/or coinsurance) unless the facility has assumed this obligation by contract or such payment is required by state law.

COORDINATION WITH MEDICARE PART D

Medicaid **does not** coordinate benefits with the Medicare Part D benefit. Medicaid does not reimburse a **pharmacy** for the beneficiary's liability for prescription drugs if the beneficiary is:

- Enrolled in a Medicare Part D plan and the prescription drugs are covered under the Medicare Part D benefit
- Eligible to join a Medicare Part D plan but chooses to retain his commercial insurance in place of joining a Medicare Part D

If a beneficiary joins a Medicare Part D plan that has a premium more than the Medicare standard premium established for Michigan, the beneficiary must pay the difference in the cost that Medicare does not pay.

CONDITIONS WHEN NURSING FACILITIES CAN OFFSET THE PATIENT PAY AMOUNT

The following table gives conditions on when a nursing facility can offset the patient pay amount for the beneficiary's liability for prescription drugs.

If	Then
Beneficiary recently enters a nursing facility and his liability is not exempt under the Medicare Part D benefit until Medicaid has made a payment for one month and it is established that the beneficiary will reside in the nursing facility for one month or more.	Nursing Facility can offset the patient pay amount for the beneficiary's liability during the initial month of the nursing facility stay.
Beneficiary is retroactively enrolled in Medicaid and his/her liability exemption under the Medicare Part D benefit has not yet taken affect.	The offsetting of the patient-pay amount for the beneficiary's liability can only occur for the first month if the retroactive enrollment in Medicaid is more than one month. The beneficiary's liability for subsequent months must be billed to the Medicare Part D plan by the pharmacy.
Beneficiary is prescribed drugs not covered by Medicare Part D, Medicaid or Commercial Insurance.	Nursing Facility can offset the patient-pay amount.
Beneficiary has pharmacy co-pays, coinsurance, and deductibles from his/her commercial/private insurance.	Nursing Facility can offset the patient pay amount.

Nursing facilities cannot offset the patient-pay amount for insurance premiums.

Instructions for offsetting the patient-pay amount are contained in the Michigan Medicaid Provider Manual, Billing & Reimbursement for Institutional Providers Chapter, Section 8.2.C. The Medicaid Manual is available online at www.michigan.gov/medicaidproviders >> Policy and Forms >> Medicaid Provider Manual. Value Code 25 is used to offset pharmacy prescription drugs not covered by Part D or commercial insurance.

RETROACTIVE MEDICAID AND MEDICARE PART D ENROLLMENT

If a beneficiary becomes retroactively enrolled in Medicaid and a Medicare Part D plan, a pharmacy can bill the Medicare Part D plan for the beneficiary's liability during the retroactive period in which the drugs were dispensed. However, in order for the pharmacy to bill Medicare Part D retroactively, the pharmacy must receive proof that Medicare Part D was made retroactive. The nursing facility can assist in getting the appropriate information to the pharmacy by obtaining the proof of retroactive eligibility from the beneficiary or the beneficiary's representative (this could be the facility). The pharmacy cannot make the decision of retroactive eligibility on its own. Hence, it is important that the nursing facility communicate with the pharmacy about the retroactive information so that the pharmacy can bill the Medicare Part D plan.

BENEFICIARIES INELIGIBLE FOR MEDICARE PART D

For beneficiaries who are not eligible for the Medicare Part D benefit, Medicaid will continue to coordinate benefits with their commercial/private insurance.

QUESTIONS ON MEDICARE PART D

Questions regarding a beneficiary's eligibility for Medicare Part D, specific Medicare Part D drug coverage, or retroactive enrollment in Medicare Part D must be directed to Medicare at **1-800-633-4227**. TTY users should call **1-877-486-2048**. Also, the Michigan Medicare/Medicaid Assistance Program (MMAP) provides free education and personalized assistance to people with Medicare and Medicaid, their families and caregivers (including the nursing facility). MMAP can be reached at **1-800-803-7174**. Beneficiaries must contact the human resource department of their employer or that of their spouse for questions concerning the coordination of their commercial/private insurance and Medicare Part D.

MANUAL MAINTENANCE

This bulletin will be incorporated into the Medicaid Nursing Facility Manual. The nursing facility should retain this bulletin until it is incorporated into the manual. Pharmacy providers may retain this bulletin as a reminder of Medicaid beneficiary's pharmacy insurance deductible, coinsurance, and co-pays.

QUESTIONS

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

APPROVED



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