

Part D and Hospice

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How Did We Get Here?

- OIG report issued in 2012
- Findings of \$33 M in claims (FY2009) paid by Part D after beneficiary elects hospice --
- Additional analysis by CMS Center for Program Integrity
- Ongoing and intense discussions about the "intersection between Part D and hospice" with CMS Part D and CMS Part A since summer 2013
- Draft guidance issued December 6 2013
- Final guidance issued by CMS on March 10 2014
- Implement by date:

May 1, 2014

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CMS Develops Plan for Part D and Hospice Intersection

- April 1 2013
 - CMS "strongly encourages" Part D plans to develop a beneficiary-specific prior authorization process
 - Guidance to Part D comes out as the annual "Call Letter" issued each April for the coming year

Recoupment Efforts

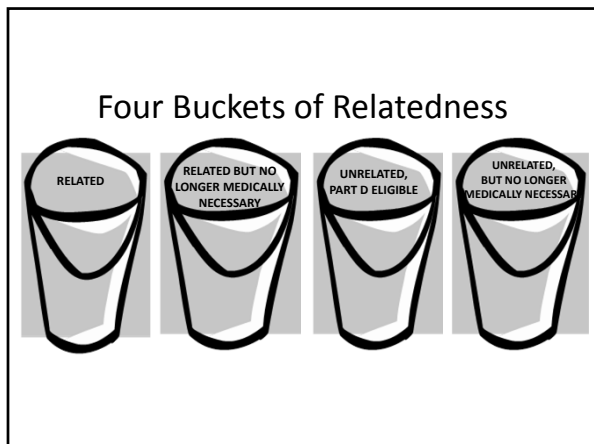
- CMS Center for Program Integrity analysis
 - \$13 million paid by Part D for analgesics after patient enrolled in hospice
 - 51% of analgesics billed to Part D came from 350 hospices (10% of Medicare certified hospices)
 - Assumption that most if not all analgesics should be the responsibility of the hospice
 - CMS instructs Part D plans to take back \$\$ from pharmacies
 - Pharmacies are to collect from hospice providers

Key Issues

- Who can make decisions about what drugs the hospice will cover?
- Can the Part D plan override the hospice's decisions?
- How will the hospice initiate the prior authorization process?
- How will the Part D plan communicate with pharmacies about the prior authorization?

Components of Final Guidance

- Released March 10 2014
- Applies to all Part D plans and Medicare certified hospices



Bucket #1 - Related

- **Related medications**
 - The hospice is responsible for covering all drugs or biologicals for the palliation and management of the terminal and related conditions.
 - Drugs and biologics covered under the Medicare Part A per-diem payment to a hospice program are excluded from coverage under Part D

Bucket #2 – Related but No Longer Medically Necessary

- Some drugs would be discontinued after the hospice election after the hospice determines that the medications:
 - are no longer effective or
 - may be causing additional negative symptoms
- Medications
 - not covered under the Medicare hospice benefit since they are not "reasonable and necessary for the palliation of pain and symptom management"
 - Not covered by Part D since related to the terminal illness
- If a beneficiary still chooses to have these medications filled through his or her pharmacy, the costs of these medications would then become a beneficiary liability

Bucket #3 - Unrelated

- **Unrelated Medications**
- For treatment of a condition that is **completely** unrelated to the terminal illness or related conditions
- CMS states “the drug is unrelated to the terminal **prognosis** of the individual”
- Drugs eligible to be processed under Part D “unusual and exceptional circumstances”
- Part D plan sponsor should place beneficiary-level prior authorization (PA) requirements on all drugs for beneficiaries who have elected hospice to determine whether the drugs are coverable under Part D

Bucket #4 – Unrelated but No Longer Medically Necessary

- Some drugs, though unrelated would be discontinued after the hospice election after the hospice determines that the medications:
 - are no longer deemed needed to manage the unrelated condition, based on the patient’s current disease trajectory
- Medications
 - not covered under the Medicare hospice benefit since they are not related to the terminal or related condition
 - Not covered by Part D since are deemed not medically necessary to manage unrelated condition
- If a beneficiary still chooses to have these medications filled through his or her pharmacy, the costs of these medications would then become a beneficiary liability

PRIOR AUTHORIZATION PROCESS

Hospice Initiated Prior Authorization

- Begin communication with patient's Part D plan at hospice election
- Provides "early notice of the election" to the Part D plan sponsor
- Minimizes retrospective recoupment
- Also communicate with plan to report revocations and live discharges
- Identify drugs to be covered by Part D
- Provide explanation of why drugs are unrelated
- Part D plan sponsors "should accept the explanation and use it to satisfy the PA requirements"

Finding a Patient's Part D Plan

- **Three ways**
 - Ask for the patient's Part D card during admission
 - Collect patient's insurance number, Part D plan name and any contact phone number
 - Query the HETS system to determine whether a Part D plan is listed
 - Work with pharmacy submitting a standard electronic eligibility (E1) query to the CMS Transaction Facilitator, which identifies:
 - plan sponsor
 - provides the sponsor's online billing information
 - pharmacy help desk telephone number
- **The Part D sponsor's 24-hour pharmacy help desk phone number is key to communicating and fulfilling a PA**

Reject Codes

- Part D plan is **REQUIRED** to reject all pharmacy claims for a beneficiary who has elected hospice
- The reject will use the following codes:
 - A3 This Product May Be Covered Under Hospice – Medicare A
 - 75 Prior Authorization Required
 - 569 Provide Notice: Medicare Prescription Coverage and Your Rights

Drug

Pharmacy Responsibility

- When the pharmacy receives the claims reject coding, the pharmacy contacts the beneficiary or prescriber (hospice) to determine if the hospice provider should cover the drug
- Hospices should instruct their patients and families to refer the pharmacy to the hospice office if they receive a call regarding rejected pharmacy claims
- Prescriber may provide
 - a verbal explanation of why the drug is unrelated or
 - complete the PA form specified by the Part D sponsor and submit by fax or mail

Hospice Responsibility

- Proactively submit PA documentation to Part D sponsors upon admission
- Coordinate the benefit with hospice physicians employed by or under contract to the hospice
 - Contact Part D sponsors
 - Provide verbal PA or
 - Complete written PA as required by plan sponsor
- Work with prescribers “unaffiliated with the hospice” to ensure timely and seamless PA for hospice patients
- If hospice provider or prescriber **does not respond or refuses to provide PA explanation**, the Part D sponsor must inform the beneficiary that the drug is not covered under Part D

Prescribers Unaffiliated with the Hospice

- Who are they?
 - Patient’s attending physician
 - Nursing home medical director prescribing for the hospice patient
 - Other specialists seen by the patient
- What happens?
 - Part D sponsor may contact the hospice for explanation of unrelated medication
 - Hospice can provide
 - verbal explanation of unrelatedness or
 - Complete the PA form and submit to sponsor
 - Contact prescriber to determine relatedness
 - Unaffiliated prescriber must
 - Provide explanation of why drug is unrelated to the terminal illness or related conditions
 - “attest that they have coordinated with the hospice provider” and that the hospice confirmed the unrelatedness

Utilization Management Edits

- Part D sponsor may have a utilization management (UM) edit on the drug
- The beneficiary-level hospice PA is the threshold issue that must be considered when a coverage determination has been requested
- CMS expects Part D sponsors to concurrently obtain and review the information necessary to promptly determine whether any applicable drug-specific UM requirement has been satisfied

Response Time Requirements

- For 2014 the adjudication timeframes are:
 - 24 hours (for expedited requests)*
 - 72 hours (for standard requests)
- Clock starts when the when the explanation of unrelatedness to the terminal illness or related conditions is received from the hospice provider or prescriber

*Please note that expedited coverage determination is available when the hospice provider, in conjunction with the enrollee and the physician, believe that waiting for a decision under the standard time frame may place the enrollee's life, health, or ability to regain maximum function in serious jeopardy. Source: CMS Processing Manual for Med Part D

• Source: Section 30.2 of Chapter 18 of the Medicare Prescription Drug Benefit Manual

Standard PA Form

- Are not requiring a standard PA form for 2014
- Could consider a standard form at a later date
- CMS strongly recommends that the form used by sponsors be limited to the information needed for a hospice PA and used **exclusively** for that purpose

Suggested Data Elements for Prior Authorization

- **Part D Sponsor/PBM Information for faxing/ mailing**
 - Name
 - Address
 - Fax #
 - Phone #
- **Today's Date**
- **PATIENT and INSURANCE INFORMATION**
 - Patient Name
 - DOB
 - Patient Phone#
 - Insurance ID Number
- **PRESCRIBER INFORMATION**
 - Prescribing Physician's Name
 - Physician NPI#
 - Clinic Name:
 - Clinic Address
 - City, State, Zip
 - Clinic Contact Person's Name
 - Clinic Phone #
 - Clinic Secure Fax #
- **PRESCRIPTION INFORMATION**
 - Medication Requested
 - Strength
 - Dosing Schedule
 - Quantity per Month

Suggested Data Elements for Prior Authorization

- **PRIOR AUTHORIZATION INFORMATION**
 1. Is the patient currently enrolled in Hospice?
If No, date of disenrollment
- **Hospice name and contact information:**
 - Name
 - Phone #
 - Secure Fax #
- 2. Is the medication related to the terminal illness or related conditions and covered under the hospice benefit?
- 3. **If no, is the medication not covered by Hospice because:**
 - a. It is being used for a condition unrelated to the terminal illness or related conditions? If so, please provide an explanation of why the condition being treated is unrelated to the terminal illness or related conditions and therefore is not covered under hospice benefit and may be covered under Medicare Part D.
 - b. It is being used for a condition related to the terminal illness or related conditions, but the medication is not included on the hospice formulary, is not medically necessary or is waived through the hospice election? Medicare Part D will not cover this medication.
- 4. **If the prescriber of the medication is unaffiliated with the hospice provider, has the hospice provider confirmed that the medication is unrelated to the terminal illness or related conditions?**

Patient Liability

- If a beneficiary requests a drug for his or her terminal illness or related conditions that is not on the hospice formulary and
- Beneficiary refuses to try a formulary equivalent first; or
- Drug is determined by the hospice provider to be unreasonable or unnecessary for the palliation of pain and/or symptom management
- Beneficiary may opt to assume financial responsibility for the drug
- No payment for the drug will be available under Part D

Issuance of Advanced Beneficiary Notices for Medications

- **No ABN Required:**
 - For medications that are not reasonable and necessary and the hospice will not provide to the beneficiary
 - Documentation in the medical record is strongly suggested
- **ABN Required:**
 - If the hospice provides and pays for a medication even though it is not reasonable and necessary, an ABN must be issued **in order to charge the beneficiary**
 - *Watch hospice paid one time fills of non-hospice covered medications!*

Beneficiary Appeal Rights

- If the beneficiary feels that the Medicare hospice should cover the cost of the drug, the beneficiary may submit a claim for the medication directly to Medicare on Form CMS-1490S.
- Appeal: Use if claim is denied under the appeals process set forth in part 405, subpart I.

CMS Independent Reviewer

- Proposed in December 2013 draft guidance
- Is **not** in place for 2014
- Will require rulemaking and is postponed
- CMS will work with stakeholders to establish standards and criteria for review

CMS Expectations

- Hospice and Part D sponsor will coordinate their benefits
- Hospice or prescriber will promptly provide verbal or written communication for prior authorization
- Hospice will provide information explaining why the drug is unrelated to the terminal illness or related conditions
- Part D sponsor will accept and maintain the documentation about unrelatedness and is therefore reimbursable under Part D and process the claim
- Part D sponsor and hospice will negotiate retrospective recovery of the amounts paid, if the sponsor has paid for drugs after the effective date of the hospice election, but prior to receipt of notification from CMS