



# Medicare<sup>Rx</sup>

Prescription Drug Coverage <sup>Rx</sup>




## Vaccine Coverage under the Part D Medicare Drug Benefit

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# Agenda

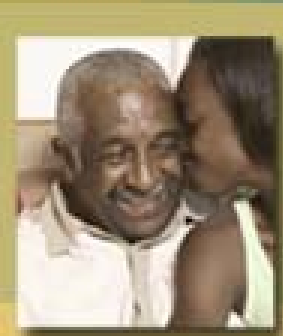
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- Part B drugs – Part B vaccines
  - Part D drugs – Part D vaccines
  - Access to Part D vaccines
  - Vaccine Administration
  - References
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# Medicare Part B Vs Part D

## ■ Drugs covered by Part B

- 13 categories of drug authorized for payment under Part B
- Range from drugs in immunosuppressive therapy to parenteral nutrition
  - Includes certain vaccines

## ■ Most Part B drugs are paid through DME MACs or Local Carriers





# Vaccines



## ■ Part B

- Covered under Part B by law
  - Influenza Vaccine
  - Pneumococcal Vaccine
  - Hepatitis B Vaccine (intermediate or high risk)



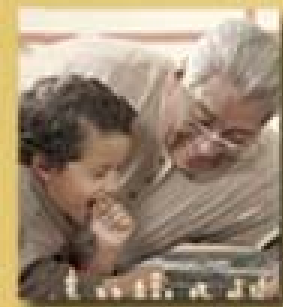
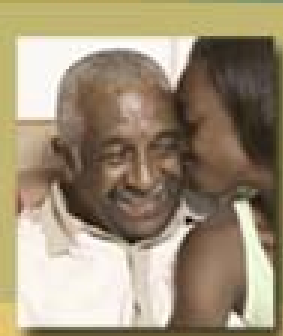
## ■ “Incident to”

- Direct Injury or Illness (post exposure)
  - Example – Tetanus or Rabies



# Part D Background

- The MMA of 2003 created Part D drugs
- Part D vaccine
  - Licensed via the Public Health Service Act
  - “reasonable and necessary for the prevention of illness”
- Created circumstantial coverage between Parts B and D
- Part D Formulary Policy
  - All commercially available vaccines must be on formulary
  - Except Part B vaccines





# Access to Part D vaccines

- Part D is generally an outpatient drug benefit based upon network pharmacies
  - Network pharmacies provide access to Part D Sponsor's negotiated prices
- Out-of-network rules for physicians and vaccines
  - Requires the submission of a paper claim and may leave a "differential"

# Vaccine Coverage Under Part D

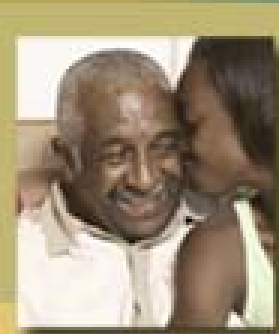
## ■ Increasing Access to Part D Vaccines

*“As newer vaccines come on the market with indications for use in the Medicare population, Part D vaccine in-network access will become more imperative.”*

- Options to improve access and minimize OON coverage\*
  - In Network Pharmacy Distribution
  - In Network Retail Pharmacy Access
  - Model Vaccine Notice for Physicians (Paper Claim Enhancement)
  - Web-Assisted Electronic Physician Billing




*\*Plans are not limited to these options for improving access*

*To avoid cost differential picked up by beneficiary*



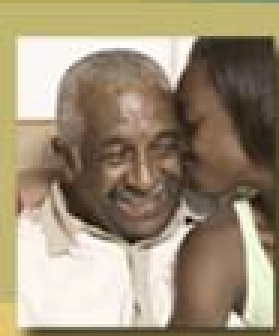


# In-Network Pharmacy Distribution

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- Part D plan's local pharmacy or specialty pharmacy could provide vaccines directly to physician offices
  - The physician could call in a prescription or
  - The beneficiary could deliver or mail a prescription for the vaccine to the pharmacy.
  - The pharmacy would fill the prescription for the vaccine
    - Ship or deliver to the physician's office
    - Bill the Part D plan for the vaccine
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# In-Network Access to Retail Pharmacies

- Enrollees could obtain a prescription from the physician and bring it to their local network retail pharmacy for filling
- In some states, it is possible for the vaccine to be administered by the pharmacist
- Plans should be exploring utilization of their network pharmacists as a provider of adult Medicare Part D vaccines



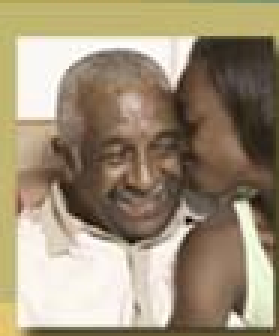


# Model Vaccine Notice for Physicians (Paper Claim Enhancement): (OON)

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- Part D plans would provide all enrollees with a vaccine-specific notice that the enrollees could bring to their physicians.
  - This notice would provide information necessary for a physician to contact the enrollee's Part D plan:
    - How to receive authorization of coverage for a particular vaccine
    - Information on reimbursement rates,
    - Enrollee cost-sharing to be collected by the physician, and
    - Instructions on how to submit the out-of-network claim on the beneficiary's behalf
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# Web-Assisted Out-of-Network Billing (OON)

- Physicians electronically submit beneficiary out-of-network claims to Part D plans for vaccines dispensed and administered in the physician's office
- Submitted via a web-assisted portal
- The physician would:
  - Assume responsibility for submitting the claim on behalf of the beneficiary
  - Agree to accept Part D plan payment as payment in full





# Vaccine Administration

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- Part B vaccines
    - Pays for vaccine administration thru Part B MACs
      - Physicians via A/B MACs
      - Pharmacies via DME MACs
  - 2006 No Part D Vaccine Administration Fee
    - Physicians and pharmacy could charge their own vaccine administration fees
  - Tax Relief and Health Care Act of 2006
    - Provided for Part D vaccine administration
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# Vaccine Administration Payment

## ■ In 2007

- Payment for administration by Medicare Part B
- Payment for vaccine by Part D plan
- Two copays (one for vaccine, one for administration)

## ■ In 2008

- Part D vaccine and administration costs will be covered by Part D plan
- One copay



# Additional Materials



## ■ Part D plan Guidance

- [http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoVaccineAdministration\\_05.14.07.pdf](http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/MemoVaccineAdministration_05.14.07.pdf)



## ■ Physician and Provider MedLearn

- <http://www.cms.hhs.gov/MLNMArticles/downloads/SE0727.pdf>

