

Psychiatry Coding & Reimbursement Alert

Medicare Compliance: Get Set For Tighter Part D Drug Policies

Warning: You need to comply with these rules by June 1, 2015.

If your psychiatrist prescribes drugs covered under Medicare Part D, you need to be aware of a change effective June 1 which your provider will need to follow to allow his/ her Medicare patients to receive payment under the Part D plan.

Background: "This change has its origins in section 6405(c) of the Affordable Care Act, which allows the Department of Health and Human Services to require that prescriptions for covered Part D drugs be prescribed only by a physician or other eligible professional who is enrolled in the Medicare program," observes Kent Moore, senior strategist for physician payment at the American Academy of Family Physicians.

Be aware: "The Centers for Medicare & Medicaid Services (CMS) published its final rule on this matter in the Federal Register on May 23, 2014, and said that, beginning June 1, 2015, a prescriber of Medicare Part D drugs must have an approved enrollment record in the Medicare program or have a valid opt-out affidavit on file with one of the Part A/Part B Medicare administrative contractors (MACs)," instructs Moore. "Thus, by law, CMS is requiring that physicians be enrolled with Medicare or otherwise have a valid opt-out affidavit on file with Medicare in order for Part D to pay claims for prescriptions written by them."

CMS officials were concerned with reports about persons without proper qualifications prescribing Part D drugs, and this list included some physicians whose licenses had been suspended. These new regulations are intended to bring an end to any improper or abusive type of prescribing done by practitioners that might carry danger to the health of Medicare beneficiaries.

Some of the covered drugs under Part D that your psychiatrist will prescribe on an every day basis will include antidepressants, antipsychotics and anticonvulsants.

Action plan: If your clinician is not already enrolled with Medicare or does not have a valid opt-out, you will have to file for enrollment with Medicare or submit an opt-out affidavit to your Medicare Administrative Contractor (MAC) by June 1, 2015.

For your clinician to enroll with Medicare, you could do so through the Internet-based Provider Enrollment, Chain and Ownership System (Internet-based PECOS) or use a manual form (either CMS-855I or CMS-855O). For electronic submission of applications, you will need to check the link at <https://pecos.cms.hhs.gov/pecos/login.do>.

When completing the manual forms, you will need to choose the form that best fits your clinician's reason for enrolling. If your clinician is enrolling so he or she can be paid by Medicare for all covered services that he or she can provide to Medicare beneficiaries, you will need to submit the CMS-855I application.

However, if your clinician's intention is to only order, refer and/ or prescribe Part D drugs, you will need to complete the CMS-855O application. This application is a shorter, abbreviated form that is appropriate for use by prescribers who want to enroll simply to prescribe Part D drugs and order or refer for Medicare services.

Alternative: If your clinician does not wish to enroll with Medicare, you will need to have a valid opt-out affidavit on file. If you have opted out of Medicare, neither you nor your Medicare patients will be able to submit claims to Medicare for the services that your clinician provides. If your clinician opts out of Medicare, payment for any services provided by the clinician will have to be borne by the beneficiary. These beneficiaries will not receive any reimbursement from Medicare for any of these services. Services ordered or prescribed by the opt-out physician (e.g. Part D drugs) may still be covered and paid by Medicare.

The opt-out affidavit that you will submit to Medicare will be valid for a period of two years from the date of submission and will have to be renewed after that duration by submitting a fresh affidavit within 30 after the expiration of the current opt-out affidavit.

"The vast majority of physicians are already enrolled in Medicare for purposes of billing their services under Medicare Part B," points out Moore. "Among those who are not, many have a valid opt-out affidavit on file with the MAC in their area. Thus, it will be the rare physician whose Part D prescriptions are affected by this change in Medicare policy. Still, it is good to be aware of the rules and make sure that you are in compliance," notes Moore.