Eli's Hospice Insider

Coverage: Include This Vital Element In Your Prior Authorization Documentation For Hospice Patients' Unrelated Drugs

Part D drug claims will get rejected, not denied, under new system starting next month.

There's no time to waste when it comes to hospice patients' Part D coverage for drugs unrelated to the terminal illness. If you don't want to end up on the hook for drug payment when Medicare's prior authorization requirement takes effect May 1, you'll need to educate yourself about the process and take some vital steps.

Recap: In a March 10 memo, the **Centers for Medicare & Medicaid Services** finalized its PA policy on Part D drugs for hospice patients. The memo softened language about such drug coverage, compared to the draft version (see related story, p. 33). But CMS still moved forward with its instructions to Part D plans to institute PA for all drugs furnished to patients under the hospice benefit.

"We expect drugs covered under Part D for hospice beneficiaries will be unusual and exceptional circumstances," CMS says in the memo.

Hospices fear that they will end up having to cover every drug a patient is taking, even if it does not really relate to the terminal illness. CMS fanned the flames of that fear in the draft memo released last December, when it said "hospices are required to provide virtually all the care that is needed by terminally ill individuals" who elect the hospice benefit including drugs.

But hospices should be able to avoid that fate at least this year by following some simple procedures laid out in the memo, explained CMS's **Deborah Larwood** at the **National Association for Home Care & Hospice's** March on Washington conference. Because CMS has not yet implemented a dispute resolution process to determine coverage responsibility for hospice patients, the agency has told Part D plans to accept any PA documentation that justifies why a drug is unrelated to the patient's terminal illness, Larwood emphasized in the March 24 CMS hospice panel.

Note: CMS can't actually require Part D plans to accept the documentation, Larwood allowed in the session. But the plans "are usually pretty good at complying with our expectations," she told attendees. If you run across a plan that won't accept your valid PA documentation, you can "rat them out" to CMS and the agency will "strongly encourage them to do it," Larwood added.

Pitfall: Although Part D plans won't be assessing the validity of your reason for the unrelated determination, they will be checking to make sure you actually list a reason, Larwood noted in an April 8 special Open Door Forum dedicated to the topic. Watch out for the common problem of indicating only why the drug was prescribed, but not that it is unrelated, Larwood said. Likewise, make sure your documentation actually states why the drug is unrelated, not just that it is.

Watch Out For These Rejection Reasons

Plans may also reject drug claims for hospice patients when the dispensing pharmacy is out-of-network and emergency access conditions are not met, or when the drug is a non-formulary drug or requires PA under the sponsor's utilization management program and those requirements have not been met, Larwood explained.

Even if your hospice patient's drug claim gets rejected, it's just that a rejection, Larwood pointed out. The pharmacy can simply resubmit the claim after you provide the required PA documentation, rather than having to go through the costly appeal process.

Ahead: Hospices should polish their PA documentation this year, though. CMS plans to implement the dispute resolution

process next year. Once that mechanism is in place, CMS will instruct Part D plans to assess the validity of your justification for the drug's unrelated status, observers expect.

Note: The the ODF slides are at www.cms.gov/Center/Provider-Type/Hospice-Center.html scroll down to the link in the "Spotlights" box.