

## Eli's Hospice Insider

### Reimbursement: Follow 6 PA Steps To Head Off Medication-Related Headaches

**Tip: Get to know the new standardized prior authorization form.**

Hospices struggling with the drug prior authorization requirement should see some relief with new guidance from Medicare. However, they still need to learn the ropes of the new, streamlined PA process.

Heed this advice from the experts to comply with the new requirements set forth in a July 18 memo from the **Centers for Medicare & Medicaid Services**:

**1. Use the new PA form.** Along with a new PA process comes a new standardized form. When it issued PA guidance in March, CMS said it couldn't issue an accompanying form due to rulemaking time constraints. Instead, it offered a list of data elements Part D plans would require instead.

But now the agency has changed its tune. CMS is "strongly recommend[ing]" that Part D plans use the first page of a new form that was developed in collaboration with the hospice and drug industries, "until a standard Part D hospice PA form is approved," the memo says.

"Because only drugs that are unrelated to the terminal illness and related conditions would be reported on [the first] page of the form, listing the drug here in effect constitutes a statement by the hospice provider or the prescriber that the drug is unrelated," CMS explains. "The form provides space for a rationale to support the drug is unrelated; however, no clinical justification for that determination is necessary."

**Resource:** The form is at [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Downloads/Hospice-Info-PartD.pdf](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Downloads/Hospice-Info-PartD.pdf).

**2. Report elections and terminations ASAP.** Many of hospice patients' problems in obtaining their drugs after discharge were due to delays in the Common Working File receiving their termination notices. CMS urges hospices to report terminations as quickly as possible, but the agency also offered five ways to get information into the system more quickly than before.

"Part D sponsors should accept any of the following as evidence of the termination of Medicare hospice status: the beneficiary's written statement of revocation of the election, proof of submission of a final claim indicating the revocation of the hospice benefit, the NOMNC, the hospice provider's discharge summary, or page 1 of the standardized prior authorization form," CMS directs in the memo. "This evidence should be accepted from the beneficiary, the hospice provider, or the prescriber. Sponsors should accept a mailed hard copy or faxed copy of the documentation and use it to remove the beneficiary-level hospice PA edit to ensure the beneficiary has timely access to drugs under Part D."

The new guidance "makes it much easier to get information [including live discharges] into the system in a timely fashion," says consultant Susan Balfour with Hospice Fundamentals in Mesa, Ariz.

Watch for: Remember, the 2015 hospice proposed payment rule floats a requirement that hospices must file Notices of Election and Termination (NOEs and NOTRs) within three calendar days of admission or discharge. Look for the final rule, expected next month, to set a definite deadline.

**3. Add "compassionate first fills" to your list.** "We strongly encourage hospice providers to provide a compassionate first fill for any medication needed by a beneficiary who is experiencing difficulty in accessing the drug," CMS says in the memo. "If the drug provided is unrelated to the terminal illness and related conditions, the hospice

provider should contact the Part D sponsor to negotiate recovery of the hospice's payment to the pharmacy."

**4. Work with Part D plans independently.** CMS does not want to referee drug coverage problems. For example, in scenarios in which Part D plans have paid for a drug that is later determined to be a hospice liability, the plans and hospices "should negotiate repayment," CMS advises. "In the scenarios in which the beneficiary is liable, such as when the member has requested a non-formulary drug from the hospice and refused to try a formulary equivalent, or the drug was determined by the hospice provider to be unreasonable or unnecessary, but the beneficiary agreed to assume financial responsibility for it, the sponsor should send a recovery notice to the beneficiary."

Leave retail pharmacies out of it, too. "Sponsors should implement processes to handle payment resolution directly with hospice providers and beneficiaries without requiring the pharmacy reverse and rebill the original claim in the retail setting," CMS directs. "However, whenever the network pharmacy involved is also the hospice pharmacy, as is often the case with long-term care pharmacies, reverse and rebill may be the most appropriate approach," CMS allows.

**5. Don't ease up on drug reviews.** "Since the March 10 guidance was issued, many hospices have really worked and successfully increased skills in conducting appropriate drug reviews, discontinuing unneeded medications, and having conversations with patients and families," Balfour says. "They need to keep it up □ it's better patient care and it's every hospice's responsibility," she encourages.

**6. Keep an eye on the effective date.** Hospices would like the new PA process to begin immediately, but CMS isn't requiring that. "This guidance will be effective as of the date of issuance," CMS says in the July 18 memo. "However, we recognize sponsors will require some time to implement the changes to effectuate the guidance. Therefore, although we strongly encourage sponsors to implement the guidance as soon as possible, our expectation is that all sponsors will have implemented it by October 1, 2014."

**Note:** See links to the memo, PA form and more in the "Spotlights" box at [www.cms.gov/Center/Provider-Type/Hospice-Center.html](http://www.cms.gov/Center/Provider-Type/Hospice-Center.html).