

Questions from Drug Card Training Sessions

Below are IHS responses to questions raised at the CMS-IHS Medicare Prescription Drug Discount Card Regional Training Conferences. These answers are being reviewed by CMS and the “CMS Approved” answers will be posted as soon as approved.

1). Does IHS consider the \$600 credit an “Alternate Resource”?

Answer: Yes.

2). If IHS cannot require a person to sign up for a program that will cost them money, what happens if the AI/AN beneficiary are not eligible for the \$600?

Answer: In most cases, an I/T/U beneficiaries will not be asked to get a Medicare card unless he or she is eligible for the \$600 credit. Individuals with the \$600 credit are asked to sign up for the credit so:

- a. The I/T/U pharmacy can bill against the \$600 credit, or
- b. The \$600 credit can be used at a contracted retail pharmacy when the beneficiary is using Contract Health Services (CHS). The beneficiary has no out-of-pocket costs since CMS pays the enrollment fee and CHS pays the applicable co-pay.

In the instance where a person is not eligible for the \$600 credit, but is using CHS for medications at a retail pharmacy, the patient may be asked to apply for a discount card. If this happens, the CHS program would pay the enrollment fee for the beneficiary. Since the CHS program is paying for the total cost of the medication at the retail pharmacy, the CHS program wants to be able to apply the discount to the cost of the medication thereby reducing costs for the CHS program. In no case is the patient asked to provide any out-of-pocket costs for the medication.

3). From an IT standpoint, who will be placing the two drug card contracted pharmaceutical companies in RPMS so electronic billing can occur?

Answer: Pam Schweitzer from ITSC in Phoenix has been working with the drug card sponsors to ensure that sites using RPMS will be able to use Point of Sale for billing.

4). What happens if the card has only been utilized at an IHS pharmacy, the \$600 credit has been exhausted and now this IHS pharmacy doesn't carry the drug the beneficiary needs?

Answer: The beneficiary can still use the card at a private pharmacy. He or she will receive the discount but will have to pay the cost of the medication (unless it is being paid for by CHS).

5). It would be nice to have a document that compares the two contracted companies' benefits. This would entail a formulary list as well as pharmacy list.

Answer: The benefit for most beneficiaries is the \$600 credit (this is the same for both cards). The sponsor's formularies list thousands of products and would not be practical to list. Patients getting medication from the private sector need to use the cost comparison program at www.medicare.com to enter their medications and see which card will benefit them the most from an out of pocket cost standpoint.

6). Where and how do we obtain mass quantity of enrollment applications as well as billing forms?

Answer: Enrollment applications - The enrollment applications will be sent to sites by the drug card sponsors or they can be printed from the company's websites. For the Enrollment application from Criterion Advantage go on the web to www.criterionadvantage.com and click on "Printable Enrollment Forms" and click on the appropriate form. For the enrollment application for PCA go on the web to www.pcacard.com and click on "Enroll" then "Enroll By Mail or Fax" and click on the appropriate form.

If a site has the capability of electronic billing, they are required to bill electronically. For sites without electronic billing capability, they use the universal claim form available on the IHS website at www.pharmacyissues.ihs.gov click on "Medicare and Medicaid" then "09-10-04 [Universal Claim Form for non-electronic Billing](#) (PDF, 75 Kilobytes) ".

7). Persons with outpatient drug coverage through Medicaid or other sources are not eligible for the \$600. If a tribe is self-insured, that is, they act as the insurance company and assume all risk, are their members eligible for the \$600 credit?

Answer: Tribes that self-insure generally do not provide drug coverage since members receive their prescriptions through IHS. In this case, their members would be eligible for the \$600 credit. If the Tribe self-insures through a contract with a retail pharmacy network or third party to provide prescription coverage, their members would not be eligible for the \$600.

8). When an Indian beneficiary purchases a drug from the contracted pharmacy using the \$600 credit, which drug price list will the contracted pharmacy use? Will the contract pharmacy be able to keep the money that they charge for the drug or is the expectation that the pharmacy will credit the I/T/U for the price of the drug?

Answer: If a drug card is used at a retail contracted pharmacy, the retail pharmacy will use the price from the drug card sponsor. If the patient still has money in the account from the \$600 credit, the contract pharmacy will bill the drug card sponsor for part of the remaining \$600 credit. For example, if a drug normally costs \$125 and with the discount

card cost \$100 and the patient normally would pay a \$5 co-pay, the contract retail drug store would bill the drug card sponsor \$95 for the cost of the drug and bill the patient \$5 if the patient was self referred or bill the \$5 to the CHS program at the I/T/U site if there is a contract in place stating that the CHS program will pay the co-pay for referrals.

If a retail pharmacy has access to 340B drugs as part of a contract with a Tribal or urban site, the contract between the I/T/U site and the contract pharmacy should be negotiated in such a way as to minimize costs to the I/T/U site. To do this, the retail pharmacy would need to look at the costs to the site and use EITHER 340B drugs and bill the site the cost of the drug plus the negotiated dispensing fee OR use the drug card and the \$600 credit. These two programs cannot be used together in the retail sector. In most cases as long as the patient has credit left on the drug card, it will be cheaper for the I/T/U site to have the retail pharmacy use the drug card and draw down on the credit.

9). Where can I get a list of the excluded drugs?

Answer: Drugs not covered under the Medicare Discount Card are:

- Anorexia, weight loss, or weight gain
- Fertility Drugs
- Cosmetic purposes or hair growth
- Drugs to relieve coughs or colds
- Prescription vitamins and mineral products (except prenatal)
- Nonprescription drugs (Over-the-counter drugs)
- Barbiturates
- Benzodiazepines
- Drugs that could be covered under Medicare Part B

CMS is developing a list by drug name. The list will be published in the next few weeks.

10). Is there a limit regarding the number of days supply of medication that eligible patients can receive and that can be billed? Can we dispense a 60 or 90 day supply of a chronic medications to an individual signed up for a Medicare drug card?

Answer: We do not have an answer at this time. We will post the answer once we hear from CMS.