

Medicare Drug Coverage Under Part A, Part B, and Part D

Medicare Part A and Part B generally do not cover outpatient prescription drugs, most of which are now covered under Part D. This document and the Medicare Drug Coverage—Part A, Part B, Part D Desk Aid are designed to help you determine which part of Medicare covers a drug in a particular situation, assuming all other requirements are met, e.g., a drug must still be medically necessary to be covered. This information is for people in the Original Medicare Plan. People who have a Medicare Advantage HMO or PPO Plan with prescription drug coverage get all their Medicare-covered health care from the plan, including covered prescription drugs.

Part A—Hospital Insurance

People with Medicare who are inpatients of hospitals or skilled nursing facilities (SNF) during covered stays may receive drugs as part of their treatment. Medicare Part A payments made to hospitals and skilled nursing facilities generally cover all drugs provided during a stay. Under the Medicare hospice benefit, people receive drugs that are medically necessary for symptom control or pain relief.

Part B can pay hospitals and SNFs for most categories of Part B covered drugs if a person does not have Part A coverage, if Part A coverage for the stay has run out, or if a stay is not covered.

Part B—Medical Insurance

Medicare Part B covers a limited set of drugs. Medicare Part B covers injectable and infusible drugs that are not usually self-administered and that are furnished and administered as part of a physician service. If the injection is usually self-administered (e.g., Imitrex) or is not furnished and administered as part of a physician service, it may not be covered by Part B. Medicare Part B also covers a limited number of other types of drugs as shown in the Medicare Drug Coverage—Part A, Part B, Part D Desk Aid.¹ (Regional differences in Part B drug coverage policies can occur in the absence of a national coverage decision. For more information on local coverage determinations, go to www.cms.hhs.gov/coverage.)

Part D—Prescription Drug Insurance

Part D-covered drugs are defined as: drugs available only by prescription, used and sold in the United States, and used for a medically accepted indication; biological products; insulin; and vaccines. The definition also includes medical supplies associated with the injection of insulin (syringes, needles, alcohol swabs, and gauze). Certain drugs or classes of drugs, or their medical uses, are excluded by law from Part D coverage. These drugs or classes of drugs are listed at www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/PDBMChap6FormularyReqmnts_03.09.07.pdf. While these drugs or uses are excluded from basic Part D coverage, drug plans may choose to include them as part of supplemental benefits, not covered by Medicare.

¹ For example, Medicare Part B covers certain oral anti-cancer and oral anti-emetic drugs, immunosuppressive drugs for people who had a Medicare covered transplant, erythropoietin for people with end stage renal disease, parenteral nutrition for people with a permanent dysfunction of digestive tract, drugs requiring administration via a nebulizer or infusion pump in the home, and certain vaccines: influenza, Pneumococcal, and (for intermediate- to high-risk individuals) Hepatitis B.

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If Medicare Part A or Part B would pay for a person's drug as prescribed and dispensed or administered, that drug cannot be covered for that person under Part D. The person may have to pay the deductible under Part B.

The table at appendix C-2 in chapter 6 of the Medicare Part D Manual provides more detail on specific situations in which Part B or Part D may apply. It serves as a reference guide for the most frequent B/D coverage determination scenarios facing Part D plans and Part D pharmacy providers, but does not address all potential situations.

The following discussion may help you explain to a person with Medicare which part of Medicare covers his or her drugs:

If Medicare is covering your stay in a hospital or skilled nursing facility, your drugs will be paid for under Medicare Part A. Part A will stop paying for your drugs when you leave the hospital or skilled nursing facility or when your benefit runs out, whichever comes first.

If you are in a Medicare-approved hospice program, Medicare Part A will pay for drugs for symptom control or pain relief. However, Medicare is not permitted to pay for prescriptions intended to treat your terminal illness. If you join a Medicare prescription drug plan (Part D), drugs unrelated to your terminal illness would be covered by that plan. For instance, if you need medicine to treat an infection unrelated to your terminal illness, it would be covered by your Medicare prescription drug plan (Part D).

If your drugs are currently covered by Part B, they will still be covered by Part B, even if you join a Medicare drug plan (Part D). You may want to join a Medicare drug plan to help pay for other drugs you may be taking that are not covered by Part B.

If you live in a long-term care facility, any medications you receive under the durable medical equipment (DME) benefit, such as nebulizer drugs for lung disease, will no longer be covered since by law that benefit is only for services delivered in the home. If you have Medicare prescription drug coverage (Part D), your plan may cover those prescriptions. [For this purpose, long-term care facilities include skilled nursing facilities (after Part A coverage is exhausted or for stays not covered by Medicare), nursing homes which give skilled care, and institutions which give skilled care.]

IMPORTANT INFORMATION: If Part A or Part B would cover your prescription drug as it is prescribed and dispensed or administered, that drug will not be paid for by your Medicare drug plan (Part D).

For your drugs to be covered by Medicare Part B, you will need to make sure your pharmacy or supplier is a participating DME provider in the Medicare Part B program. For your drugs to be covered by your Medicare Prescription Drug Plan, you will need to go to a pharmacy in your plan's network.