PUBLICATION

CMS Retracts Hospice Preauthorization Requirements for Part D Drugs [Ober|Kaler]

August 01, 2014

On July 18, CMS released new guidance [PDF] retracting a major portion of its controversial preauthorization requirement for hospice beneficiaries. The new guidance supersedes portions of the March 10, 2014 guidance [PDF] that mandated beneficiary-level preauthorization for all drugs for beneficiaries who elected hospice care. CMS had implemented this preauthorization requirement out of concern that Part D was paying for drugs that should have been covered under the hospice benefit. CMS had intended for the preauthorization requirement to "ensure that the hospice and Part D programs correctly pay for prescription drugs covered under each respective Medicare benefit while ensuring timely access to needed prescription medications."

Though CMS's objective remains the same, it withdrew the preauthorization requirement for many drugs following a meeting with industry stakeholders on June 25, 2014. Moving forward, CMS "strongly encourages" Part D sponsors to use the beneficiary-level prior authorization only for analgesics, anti-nauseants, laxatives, and anti-anxiety drugs. Those four categories of drugs were identified by the Department of Health and Human Services' Office of the Inspector General as being regularly used by hospice patients to treat common symptoms during the end of life. Drugs falling into those categories are generally covered under the hospice benefit. As such, CMS anticipates that the drugs will be subject to few disputes regarding payment responsibility. Part D sponsors should use the standard industry classifications (available through drug listing services) to identify the national drug codes for these identified drugs.

Ober|Kaler's Comments

CMS remains focused on ensuring that Part D funds are not inappropriately being used to cover drugs that should be covered by Part A. By rescinding the preauthorization requirement, CMS demonstrated its recognition of the operational challenges, and potential barriers to access, it imposed. The retraction will ease the burden on hospice patients, their families, and the providers who serve them. To further facilitate hospice patients' receipt of drugs, hospices should consider CMS's desire for hospices to proactively provide the medication information obtained through patient assessments to the patient's Part D sponsor.