Hospice FAQs
(last updated on 4/18/14)

1. Q1: Part D sponsors provide a contact number to the pharmacy on the E1 query response and may include a contact number in the free text messaging returned in the claim response. Is it acceptable for a sponsor to provide a different contact phone number on the response to a claim being rejected for a beneficiary-level hospice prior authorization (PA) than the contact number reported on the E1?

A1: It is acceptable to have different numbers. However, if a different number is used on the claims reject, we expect it would be specific to the coverage determination and PA process. Since hospices may use the pharmacy help desk number to initiate communication with the sponsor, persons staffing this number should be prepared to either accept and document the information or forward the callers to staff who can.

Q2: What are the timeframes for sponsors to adjudicate beneficiary-level hospice PA requests?

A2: When a coverage determination is requested by the beneficiary, his/her appointed representative or the prescriber, the threshold issue is whether the beneficiary-level hospice PA has been satisfied; that is, whether an explanation of the unrelatedness (of the prescribed drug) to the terminal illness or related conditions has been received by the plan sponsor. If the plan sponsor already has that information based on the communication and coordination contemplated under the section of the memo entitled “Prospective Determinations of Payment Responsibility” (p. 3), the adjudication timeframe of 24 hours (expedited) or 72 hours (standard) starts when the plan receives the coverage determination request. If the plan receives a coverage determination request and does not have the information necessary to satisfy the beneficiary-level hospice PA, the applicable timeframe begins when the explanation of unrelatedness to the terminal illness or related conditions is received by the plan sponsor from the hospice provider or prescriber. As noted in the memo, the adjudication timeframe can only be tolled for a reasonable period of time pending receipt of the information necessary to satisfy the beneficiary-level hospice PA. The plan sponsor must promptly solicit any information it needs to satisfy the PA.

Q3: Can a hospice submit a coverage determination request in response to a claim reject at point-of-sale (POS) for a beneficiary-level hospice PA?

A3: The hospice can provide information related to the beneficiary-specific hospice PA (regarding the unrelatedness of the drug to the terminal illness/related conditions), but the hospice cannot request a coverage determination. Federal regulations at 42 CFR 423.566(c) limit requests for a coverage determination to the enrollee, the enrollee’s appointed representative on behalf of the enrollee, or the prescriber on behalf of the enrollee.

Q4: When a hospice submits information to a Part D sponsor prior to a claim submission for a hospice beneficiary, is this considered a PA or coverage determination request?

A4: A hospice may initiate communication with the sponsor to provide information on the hospice election and/or information on any drug the hospice has determined may be
covered under Part D, indicating the drug is unrelated to the terminal illness and related conditions and explaining why. However, this communication is not a coverage determination or PA request. Providing information on the unrelatedness of a drug in advance of a claim submission does eliminate the need for a beneficiary-level hospice reject thus avoiding a coverage determination or PA.

Q5: The POS reject message recommended by CMS (i.e., Hospice Provider- Request Prior Authorization for Part D Drug Unrelated to the Terminal Illness or Related Conditions) appears too long for the text message field; is a shorter message acceptable?

A5: The message “Hospice Provider-Request PA” is being used within the industry and would be acceptable. NCPDP may have alternative messaging that also would be suitable.

Q6: What is the Part D sponsor’s responsibility when a prescriber unaffiliated with the hospice does not respond to a request for an attestation that he or she has conferred with the hospice?

A6: The guidance indicates that the sponsor may contact the hospice if an unaffiliated prescriber is unable or unwilling to coordinate with the hospice to provide the explanation for the PA. While the sponsor is not necessarily responsible for ensuring the PA is fulfilled, the sponsor must make reasonable efforts to promptly solicit any information it needs to process a coverage determination. We express our belief that unaffiliated prescribers should attest that they have coordinated with the hospice, but do not specify any sponsor follow-up should the prescriber fail to attest to this coordination. However, we note that the sponsor may fax an informational copy of the completed PA form to the hospice when the prescriber was determined to be unaffiliated.

Q7: What documentation is necessary from a prescriber unaffiliated with the hospice to establish the drug is unrelated to the terminal illness and related conditions and to attest that he or she has conferred with the hospice?

A7: The documentation for an unaffiliated provider to establish that a drug is unrelated is the same as for an affiliated prescriber. That is, an explanation of why the drug is unrelated. The PA information listed in Attachment 2 includes a question (#4) to which an unaffiliated prescriber may respond to indicate he/she has received confirmation from the hospice that the medication prescribed is unrelated.

Q8: In lieu of instructing the pharmacy on how to override the edit once the PA is approved, is it acceptable for the sponsor to provide a code to the pharmacy that would permit the claim transaction to process?

A8: Provision of a code to the pharmacy allowing the transaction to proceed is acceptable. Notification to the beneficiary is also required.
Q9: Will Part D sponsors continue to be responsible for recovering the 2011 and 2012 Part D paid claims previously identified as duplicate payments by CMS’ Center for Program Integrity (CPI) or can sponsors resubmit prescription drug event (PDE) records for these claims?

A9: The prospective application means that sponsors will not be required to apply the guidance to 2014 claims processed prior to May 1, 2014. However, the claims for analgesics for hospice beneficiaries paid under Part D in 2011 and 2012 previously identified in CPI issued memoranda (dated June 24, 2013, August 5, 2013 and August 8, 2013) are an exception and must be deleted. In our October 30, 2013 memorandum clarifying the recovery of Part D payments for these analgesic claims, we noted that, consistent with our payer-to-payer reconciliation policy addressed in Chapter 14 of the Medicare Prescription Drug Benefit Manual section 50.14.4, we expect Part D sponsors to handle the payment resolution directly with hospices without involving the pharmacy, that is, without recouping funds from the pharmacy or requiring the pharmacy to reverse the original claim. We also indicated that in those instances in which the sponsor had already either recouped the payment from the pharmacy or required the pharmacy to reverse the original claim, if the pharmacy is still holding a receivable for the drugs, we recommend that the Part D sponsor undo the pharmacy recoupment and recover the payment from the hospice. To the extent that these circumstances still exist, that recommendation is still applicable.

Q10. Since the guidance is not effective until May 1, 2014, what approaches may Part D sponsors use prior to that date for determining Part D payment for drugs for beneficiaries enrolled in hospice?

A10: Prior to May 1, 2014, sponsors should comply with the guidance specified in the 2014 Call Letter issued in April 2013 and effective January 1, 2014. This guidance strongly encourages sponsors to place beneficiary-level PA requirements on 4 categories of drugs (analgesics, antiemetics, laxatives and antianxiety drugs). However, although we discouraged continued use of pay-and-chase, sponsors could use that approach. Additionally, since sponsors may impose PA requirements under their utilization management program to ensure appropriate coverage under the Part D benefit, sponsors could place PA edits on all drugs for hospice beneficiaries.

Q11: If a claim is retrospectively determined to be a member liability and the sponsor collects from the beneficiary, must the sponsor request the pharmacy reverse the claim and/or delete the PDE?

A11: Drugs that are waived through the hospice election are drugs that are related to the terminal illness and related conditions and are, therefore, not covered under Part D. The sponsor must delete the PDE for the claim and remove the costs from the member’s accumulators (i.e., TrOOP and gross covered drug costs.) Since the sponsor is recovering the plan paid amount from the member, the sponsor should not require the pharmacy reverse the claim.

Q12: What is necessary when an approved PA is in place and the drug subsequently must be subject to a beneficiary-level hospice PA?
A12: Drugs that were previously subject to a drug-specific PA will require a beneficiary-level hospice PA under the final 2014 guidance. There would be no need to reevaluate the drug-specific PA. The beneficiary communication should differentiate between the drug-specific PA which is already in place and the beneficiary-level hospice PA.

Q12: CMS recently announced a new hospice-type demonstration, the Medicare Care Choices Model. How does the final CMS hospice guidance apply to beneficiaries who participate in the new demonstration?

A12: Beneficiaries participating in this demonstration will not be electing the hospice benefit. They will continue to receive curative services and certain other services usually provided by a hospice such as dietary counseling. Since there will be no hospice election, prescription drugs will be available under Part D.