

Title: Medicare Part D Best Available Evidence/Low Income Subsidy (BAE/LIS) Updates

Issuance Date: September 21, 2023

(Must be reviewed annually)

Applicable Regulations, Guidelines, and AHS Policy:

Federal statute or rule:

Chapter 13 of the Medicare Prescription Drug Benefit Manual, section 70.5.2 Best Available Evidence-Required Documentation and Verification.

Purpose:

Medicare beneficiaries are automatically deemed eligible for the Low-Income Subsidy (LIS) if they are found eligible for Medicaid or Medicare Savings Program identified through a monthly computer tape match. In the interim, the PDP team intervenes when a new beneficiary is not receiving the Low-Income Subsidy co-pay on their prescriptions by providing Best Available Evidence of Medicaid eligibility to the Medicare Part D Prescription Drug Plan (PDP).

Procedures:

Client prescription drug claim rejection referrals by Medicaid or VPharm can be made by clients, advocates, pharmacists, or member/provider services. They will reference reject code 76 or 41.

When the member co-pay is less than the annual LIS amount, DVHA will advise the member to contact Member Services at 1-800-250-8427 instead of moving forward with the claim through the BAE LIS process.

The PDP team member will research why the Medicare Part D Prescription Drug Plan (PDP) is returning co-pays higher the maximum LIS co-pay level as the client's primary payor:

PDP team members log into the pharmacy vendor's site to search for the member and rejected claim. They select the Claim ID and check the pharmacist receiving payment from PDP as primary payor and verify the co-pay amount.

Standard Operating Procedure

If the primary pharmacist is receiving payment, but not at the LIS level, PDP staff check the beneficiary’s eligibility and verify that the client has Medicare and has either a Medicaid category code or VPharm Medicare Savings Program category code.

- The ELIG/D/ME is used to determine when the client was granted the correct category code for LIS. If the client is not currently enrolled in a PDP, PDP staff will review enrollment.
- Once the PDP has updated their pharmacy system to reflect the LIS co-pay, call the pharmacy and ask them to reverse and rebill the primary to ensure the client receives the correct co-pay.

If the client has an active VPharm account DVHA will wrap the LIS co-pay down to \$1. If the client has an active Medicaid account, they are responsible for the LIS co-pay.

Revision History:

Date	Summary of Revisions
4/11/2018	Frist Draft
7/27/2018	Completed SOP for signature approval
11/13/2018	DVHA COO approval signature
2/18/2022	Revision to SOP was the LIS Copayment, \$8.35 was changed to \$9.85. In addition, the staff listed under ROLE have been updated.
4/28/2022	OMU review, edits for clarity.
9/21/2023	OMU review. Update revision date.

Table 1 Revision History