Medicare Drug Coverage Denials Leave Many Seniors Frustrated and Confused

There are 41 million Medicare beneficiaries in the country currently receiving prescription drug coverage from private Medicare Advantage plans or stand-alone plans. And many of those individuals may feel like they've run into a wall when they discover their plan's coverage won't extend to certain meds. Indeed, the Medicare Rights Center reports that its hotline (1-800-333-4114) receives more member calls about prescription claims denials than any other issue.

And although there is a system in place for appeals, it's not guaranteed, nor is it necessarily easy or clear, especially for some elderly individuals.

David Lipschutz is senior policy attorney at the Center for Medicare Advocacy. "A lot of people fall through the cracks," he told *California Healthline*. "They simply don't know what to do. Or they try to go through the process, and it's complicated and time-consuming and they just give up."

Audit yields dismal results

The most recent audit of Medicare's prescription program, released in September of 2016, revealed many cases of plans denying coverage or applying coverage limits without the requisite approval from the Centers for Medicare & Medicaid Services (CMS).

More than 40% of the plans audited failed to appropriately handle prior authorization requests; over 60% imposed limits on medication quantity before getting those limits cleared by the CMS; and nearly half of the plans failed to contact doctors or patients in order to gather more information before handing down a coverage decision. Furthermore, a whopping 70% of notices of coverage denial contained errors, included verbiage that most people would have difficulty understanding, or were missing complete explanations as to the reasons for the declination.

What Medicare drug plans *must* cover…and what they cannot

Clearly Medicare members would be well-advised to first understand what their prescription plans allow.

In addition to vaccines available commercially that are not covered under Medicare Part B, federal law requires Part D drug plans to cover medications that fall under the following six categories: treatments for HIV/AIDS; antidepressants; antipsychotic drugs; anticonvulsive medications used to treat seizure disorders; immunosuppressant meds; and anticancer drugs that are not already covered by Medicare Part B.

Additionally, the government requires these plans to cover "a range of both generic and brand name drugs that are generally needed by populations on Medicare"; preparations of insulin; and medicines that are only available with a prescription.

There is also a spectrum of what the plans “may cover,” but there is a definitive “cannot cover” section of the rule, which includes cough and cold prescriptions; cosmetic hair growth drugs; fertility drugs; most prescribed vitamins; mededicines used to treat anorexia, weight loss, or weight gain; and prescription treatments for sexual dysfunction.

Outside of those parameters, the plans have a substantial degree of latitude, most notably seen in the fact that they can choose formularies (and therefore which drugs in particular they will cover); they can decide on quantity limits (and put a ceiling on how much an individual will receive per prescription); they can require patients to exhaust less expensive treatments before filling a prescription (an approach known as step therapy); and they can decide which drugs will require prior authorization from a physician (and even then, that PA does not automatically guarantee coverage).

Coverage denied? Appeals are not guaranteed

When a rejection of coverage does occur, the next step is not always appeal. A patient first must ask for a coverage determination from the plan; only upon the issuance of this can the five-step appeals process begin: 1) the drug plan’s re-determination; 2) reconsideration by MAXIMUS Federal Services, an independent reviewer; 3) hearing before an administrative law judge; 4) review by the Medicare Appeals Council; and finally, 5) federal district court review.

Casey Schwarz is senior counsel at the Medicare Rights Center. She told *California Healthline* that while senior citizens often experience discouragement during the early stages of the appeal timeline, “we encourage them not to give up — people are often successful at higher levels of appeal.”

In around one-third of the appeals launched in 2o15, MAXIMUS reversed coverage drug plan declinations. And that same year, the number of appeals made was nearly 50% higher than the number in 2014.