

# Medicare Advantage PPO Part D drugs – Group plans

Applies to:



**Blue Cross  
Blue Shield**  
of Michigan

A nonprofit corporation and independent licensee  
of the Blue Cross and Blue Shield Association

Part D Drugs - Group Plan     Part D Drugs - Individual Plans

## Part D drugs

Part D drugs include outpatient prescription drugs, vaccines, biological products and medical supplies that are covered under the Medicare Prescription Drug Benefit (Part D) and that are part of the plan's formulary. A formulary is a list of drugs covered by the plan to meet patient needs. Formulary drugs are grouped into drug tiers by type of product, such as brand or generic drugs. Member cost sharing increases as tier level increases.

Drug tiers	
Tier 1: Preferred Generic	This is the lowest cost-sharing tier.
Tier 2: Generic	These are still generic but not the lowest cost-sharing tier.
Tier 3: Preferred Brand	This is the lowest cost non-generic tier.
Tier 4: Non-preferred Drug	These are brand and generic drugs not in a preferred tier.
Tier 5: Specialty Tier	Contains high cost drugs with a fixed cost share.

## Original Medicare

Original Medicare's Part A benefit covers drugs given during Medicare-covered hospital and skilled nursing facility stays, and during hospice care. Original Medicare also provides benefits for some drugs through Part B, including some chemotherapy drugs, certain drugs given during an office visit, and some vaccines and drugs given at a dialysis facility. Part D drugs are excluded from coverage under Original Medicare.

## Medicare Advantage Prescription Drug Plans

Medicare Advantage Prescription Drug PPO plans provide at least the same level of benefit coverage as Original Medicare (Part A and Part B) and provide enhanced drug benefits beyond the scope of Original Medicare by offering coverage for Part D drugs within a single health care plan.

Blue Cross Blue Shield of Michigan

[bcbsm.com/provider/ma](https://bcbsm.com/provider/ma)

## Conditions for payment

Members access their benefits through a network of contracted pharmacies and based on the Part D formulary. Network pharmacies provide services at a greater cost savings.

MA–PD PPO group formularies	Covered drugs
Group Comprehensive Formulary	Many Medicare Part D drugs
Group Standard Comprehensive Formulary	
Group Plus Comprehensive Formulary	
Group Enhanced Comprehensive Formulary	Many Medicare Part D drugs plus select Medicare Part D excluded drugs
Group Standard Enhanced Comprehensive Formulary	

MA–PD PPO plans apply the following utilization management protocols to benefits:

- Prior authorization is a prior approval process that allows prescriptions to be filled only when specific and predefined conditions are met. PA requests must be approved on a per case basis by the Part D plan.
- Step therapy is part of the PA process that requires certain drug therapies be tried first before coverage approval for other therapies.
- Quantity limit restricts the number of doses per prescription or time period.

## Member cost sharing

Cost sharing refers to a standard copayment, a percentage coinsurance or a deductible the member must pay before the plan pays its share. Plans establish their members' cost-sharing amounts. For detailed information about benefits and cost-share amounts, review specific plan benefit documents.

If a member elects to receive a noncovered drug, he or she is responsible for the entire charge associated with this drug unless the plan has specifically approved coverage for the drug for that patient. Members may ask the plan to cover nonformulary or excluded drugs, or cover a drug in a different cost-sharing tier if there is documented support from the prescriber and Blue Cross approves the request.

## Billing instructions for providers

Part D drug claims are billed through participating retail or mail–order pharmacies. Members may submit a direct claim form for Part D drugs obtained at nonparticipating pharmacies. For detailed information on participating pharmacies, review specific plan documents.