



HEALTH CARE FINANCING ADMINISTRATION
Department of Health and Human Services

Region VIII
1600 Broadway, Suite 700
Denver CO 80202-4967

Date: May 22, 2001

From:

Subject: Eligibility for Coverage of Immunosuppressive Drug Therapy

To: All End Stage Renal Disease Networks

The purpose of this letter is to clarify Medicare's eligibility criteria for the coverage of immunosuppressive drugs following a covered organ transplant.

Congress passed the Benefits and Protective Act of 2000 (BIPA 2000), in December 2000, which eliminated the time limit for coverage of immunosuppressive drugs for Medicare entitled beneficiaries (based on age 65 or older or disability). As of December 21, 2000, there is no longer any time limit for immunosuppressive drugs furnished for these Medicare beneficiaries who remain eligible for Medicare based on age or disability. Prior to BIPA 2000, Medicare's coverage of immunosuppressive drugs was limited to a certain amount of time following the organ transplant.

The BIPA 2000 provisions do not apply to Medicare beneficiaries whose eligibility is based solely on ESRD (not age or disability). Medicare beneficiaries whose eligibility is based solely on ESRD will lose their coverage of immunosuppressive drugs 36 months following the month of transplant.

Coverage of immunosuppressive drugs is available only for prescription drugs used in immunosuppressive therapy, furnished to an individual who receives an organ or tissue transplant, which is covered by Medicare. In order for Medicare to cover immunosuppressive drugs following a covered organ transplant, the following criteria must be met:

1. The immunosuppressive drugs are prescribed following a Medicare covered transplant.
2. The transplant met Medicare coverage criteria in effect at the time.
3. The patient was enrolled in Medicare Part A at the time of the transplant and is enrolled in Medicare Part B at the time that the drugs are dispensed.
4. The drugs are medically necessary to prevent or treat rejection of an organ transplant; and
5. The drugs are furnished within a specified time period after the date of discharge from the hospital following a covered organ transplant.

Individuals not covered under Medicare Part A at the time of their transplant aren't eligible to receive Medicare coverage for prescription immunosuppressive drug therapy.

If an individual decides to delay enrolling in Medicare, his/her enrollment to Part A may be retroactive up to 12 months from the date of their application (completion of HCFA-43). ESRD patients with employer group health coverage (EGHP) should be discouraged from filing for Medicare Part A if they

don't plan to enroll in Medicare Part B at the same time. Once Medicare Part B is refused, enrollment can only take place during the general election period (January-March), with coverage effective the following July. This will usually mean a gap in coverage between the end of primary payments by the EGHP and the beginning of Part B in the month of July. It may also result in a premium surcharge for late enrollment.

Questions about any information contained in this memorandum should be referred to your appropriate Regional Officer Project Officer.

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