

**Arizona Department of Health Services  
Division of Behavioral Health Services  
PROVIDER MANUAL  
*Magellan Health Services of Arizona Edition***

**Section 7.2 Medical Institution Reporting for Medicare Part D**

- 7.2.1 Introduction
- 7.2.2 References
- 7.2.3 Scope
- 7.2.4 Did you know...?
- 7.2.5 Definitions
- 7.2.6 Objectives
- 7.2.7 Procedures
- 7.2.7-A: Reporting requirements

**7.2.1 Introduction**

Medicare eligible behavioral health recipients, including persons who are dually eligible for Medicare (Title XVIII) and Medicaid (Title XIX/XXI) receive Medicare Part D prescription drug benefits through Medicare Prescription Drug Plans (PDPs) or Medicare Advantage Prescription Drug Plans (MA-PDs). Medicare Part D coverage includes co-payment requirements of all persons. However, Medicare Part D co-payments are waived when a dual eligible person enters a Medicaid funded medical institution for at least a full calendar month. Medical institutions must notify the Arizona Health Care Cost Containment System (AHCCCS) when a dual eligible person is expected to be in the medical institution for at least a full calendar month to ensure co-payments for Part D are waived. The waiver of co-payments applies for the remainder of the calendar year, regardless of whether the person continues to reside in a medical institution. Given the limited resources of many dual eligible persons and to prevent the unnecessary burden of additional co-pay costs, it is imperative that these individuals are identified as soon as possible.

**7.2.2 References**

The following citations can serve as additional resources for this content area:

- [42 CFR 400.202](#)
- [42 CFR 409.62](#)
- [42 CFR 422.2](#)
- [42 CFR 422.4](#)
- [42 CFR 423.4](#)
- [42 CFR 423.104](#)
- [9 A.A.C. 20](#)
- [AHCCCS/ADHS Contract](#)
- [ADHS/RBHA Contracts](#)
- [ADHS/TRBHA IGAs](#)
- [ADHS/DBHS Covered Behavioral Health Services Guide](#)

**7.2.3 Scope**

**To whom does this apply?**

This section applies to all facilities designated as a medical institution (provider types 02, 71, 78, B1, B2, and B3).

**Arizona Department of Health Services  
Division of Behavioral Health Services  
PROVIDER MANUAL  
*Magellan Health Services of Arizona Edition***

**7.2.4 Did you know...?**

Enrollees with Medicare Part D prescription drug coverage and AHCCCS (health insurance and Medicare Savings Programs), dual eligibles, have minimal prescription drug co-payments. Part D co-payments will be waived when dual eligible persons enter an institution with the intent to remain for at least a full calendar month.

**7.2.5 Definitions**

[Dual Eligible](#)

[Institutionalized individual](#)

[Medicare Advantage Prescription Drug Plan \(MA-PD\)](#)

[Medical Institution](#)

[Prescription Drug Plan \(PDP\)](#)

**7.2.6 Objectives**

To inform behavioral health providers designated as medical institutions of reporting and tracking requirements for dual eligible persons to ensure Medicare Part D co-pays are waived.

**7.2.7 Procedures**

**7.2.7-A: Reporting requirements**

To ensure that dual eligible persons' Medicare Part D co-payments are waived when it is expected that dual eligible persons will be in a medical institution, funded by Medicaid, for at least a full calendar month, AHCCCS must be notified immediately upon admittance.

Reporting must be done using [PM Form 7.2.1, AHCCCS Notification To Waive Medicare Part D Co-Payments For Members In A Medical Institution That Is Funded By Medicaid](#). Providers must not wait until the person has been discharged from the medical institution to submit the form. Reporting must be done on behalf of the following:

- Persons who have Medicare Part "B" only;
- Persons who have used their Medicare Part "A" lifetime inpatient benefit; and
- Persons who are in continuous placement in a single medical institution or any combination of continuous placements that are identified below.

Medical Institutions

Medical institutions include the following behavioral health providers:

- Acute Hospital (PT 02)
- Psychiatric Hospital – IMD (PT 71)
- Residential Treatment Center – IMD (PT B1, B3)
- Residential Treatment Center – Non IMD (PT 78, B2)