# **MED D - Explaining and Calculating Claims Example 1**

**Scenario:** Beneficiary is calling to request more information on copays associated with claims that are paid between two different levels of drug coverage.

**Note:** To explain and calculate the claim for this year, replace the Total Drug Spend and Plan Design information with the current year’s values. The values in this example may not reflect the current year’s information.

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| **Step** | **Action** |
| **1** | From the Main Screen, locate the claim that the beneficiary is calling about and click the prescription number to view that prescription’s details. |
| **2** | Confirm the prescription details with the beneficiary and click the **View Financials** button.    **Note:** The View Financials Screen will display the cost of this prescription as it was processed. |
| **3** | Review and note the following:   * Total cost of the medication or Cost Allowed - (**Example:** $5,616.21) * Stages that the medication has been processed in - (**Example:** Initial Coverage Limit as well as the Coverage Gap) * Total Beneficiary’s copay or Participant Cost - (**Example:** $2,071.55)   **Note:** We are able to determine the stages that the claim is processed in because the cost is divided amongst those two stages and there is $0.00 cost for the Deductible. |
| **4** | Advise the beneficiary:   * The cost of their medication causes them to exceed Total Drug Spend amount of $3,820 and enter into the Coverage Gap * The copays are assessed in both stages   + (**Example:** $1,594.59 copay for the Initial Coverage Limit and $476.96 copay for the Coverage Gap, which equals a total copay of $2,071.55.) |
| **5** | Select the **Account Balance** tab. |
| **6** | Select the radio button next to the stage that the beneficiary’s claim started in and click **View Balance Details**.  (**Example:** The claim started in the Initial Coverage Limit and ended in the Coverage Gap.)  **Note:** The Initial Coverage Limit is listed as the Drug Spend on the account balance screen because a member remains in the Initial Coverage Limit until they meet their Total Drug Spend of $3,820. Refer to [MED D - Determining TrOOP Status](file:///C:\Users\qcpns528\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\2WB2ADRO\CMS-PCP1-020814).)  If pop-up states “Displaying Family Level Claims”, click **OK** and proceed as all Medicare D accounts are individual accounts. Remember to check the account balance on the secondary or Enhanced Wrap Benefit account on any account that has STCOB. |
| **7** | Locate the claim in question by matching all of the claim information including medication name, dosage, Rx number, fill date, and Delivery System (Mail or POS). |
| **8** | Once the information is confirmed, select the **DETAILS** hyperlink. |
| **9** | Locate and note the stage that the claim started in and the amount that was applied to that stage. |
| **10** | Advise the member:   * The amount applied to each stage   (**Example:**   * Claim started in the Initial Coverage Limit. * $3,708.37 of the total cost ($5,616.21) was applied to the Initial Coverage Limit. * From this information, it can be determined that out of the $3,820 only $111.63 was met prior to this claim by subtracting that amount that was applied to the Initial Coverage Limit ($3,708.37) from the Total Drug Spend of $3,820. * That leaves $1,907.84 of the total cost to be processed in the Coverage Gap.   + Subtract the $3,708.37 that was applied to the Initial Coverage Limit from the total cost of the medication ($5,616.21)). |
| **11** | Review the Plan Design and Formulary to confirm the amounts that are being charged in both stages.  **Note:** If the medication is non-formulary, check the **Plan Benefit Override** tab for a non-formulary exception. If exception is on file for SSI clients, the medication will default to a Tier 4 medication. **ALWAYS** CHECK CIF FOR TIERING EXCEPTION DETAILS.  (**Example:** This medication is listed as a Tier 4 medication. Per the Plan design a 90-day supply of a tier 4 medication through the mail is assessed a 43% copay in the Initial Coverage Limit and a 25% copay (since the medication is brand) in the Coverage Gap.) |
| **12** | Calculate the Initial Copay.  (**Example:**   * From Step 10, $3,708.37 was applied to the Initial Coverage Limit. * From Step 11, the beneficiary is responsible for 43%. * Multiple value applies to Initial Coverage Limit by 0.43 (43%).   + $3,708.37 X 0.43 (43%) = $1594.59)   **Note:** These values should match the amounts reported on the View Financials Screen. |
| **13** | Provide beneficiary with details on how the Initial Copay was obtained. |
| **14** | Calculate the Coverage Gap Copay.  (**Example:**   * From Step 10, $1,907.84 can be applied to the Coverage Gap. * From Step 11, the beneficiary is responsible for 25% of the cost in the Coverage Gap. * Multiply the value applies to Coverage Gap by 0.25 (25%).   + $1,907.84 by 0.25 (25%) = $476.96) |
| **15** | Provide beneficiary with details on how the Coverage Gap Copay was obtained. |
| **16** | Add the Coverage Gap Copay and the Catastrophic Copay to provide total copay.  (**Example:** ($1594.59+ $476.96= $2071.55)) |
| **17** | Provide the beneficiary with details on how the Total Copay was obtained and address any other questions. |

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