

Medications: Financial Responsibility PC.M42

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Regulatory Citation(s): 42 CFR 418.202(f)
L-Tag(s): None

POLICY: Lifesong Hospice and Palliative Care is financially responsible for payment of all medications and biologicals that are reasonable and necessary for the palliation and management of the patient's terminal illness and related conditions

PROCEDURE:

1. During the comprehensive assessment at admission, the RN Case Manager assesses all medications taken by the patient and begins to develop the patient's *Medication Profile*.
2. The RN Case Manager communicates with the hospice physician who, in consultation with the hospice pharmacist (if any) and attending physician (if any), initially determines which medications are related or unrelated to the patient's terminal illness and related conditions.
3. Medications should be identified as either related and medically necessary, related and medically unnecessary, unrelated and medically necessary or unrelated and medically unnecessary.
4. All medications that continue to be medically necessary and are related to the terminal diagnosis and related conditions are covered by the hospice.
5. Medications that are related to terminal illness but are no longer medically necessary are discontinued or, if the patient wishes to continue the medication, are the financial responsibility of the patient. If the patient/family chooses to continue related but medically unnecessary medication, the hospice may provide an ABN to document the discussion and inform the patient/family of the potential cost of continuing the treatment.
6. Medications that are not related and not medically necessary should be discontinued or, if the patient/family wishes to continue the medication, are the financial responsibility of the patient/family.
7. Medications that are not related to the terminal illness, but that are medically necessary may be covered by other payor sources, including, but not limited to Medicare Part D.

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8. If the hospice physician determines that a medication in one of the four categories of drugs routinely needed by hospice patients, paid for by hospice and is **clearly unrelated** to the terminal diagnosis, prior authorization for payment from Part D sponsors (for Medicare Part D patients) must be obtained. These four categories of drugs include:
 - a. analgesics;
 - b. antinauseants (antiemetics);
 - c. laxatives; and/or
 - d. antianxiety drugs (anxiolytics).
9. Medications that are unrelated but no longer medically necessary are discontinued and are the financial responsibility of the patient if s/he wishes to continue the medication. If the hospice provides the medication even though it is not reasonable and necessary, the hospice must issue an Advance Beneficiary Notice (ABN) to the patient to charge the patient or their representative for the medication.
10. The hospice physician determines whether a drug is related or unrelated to the patient's terminal illness and related conditions from the time of the patient's admission throughout the course of care.
11. The medical judgement of the hospice physician of the relatedness of a medication to the patient's terminal illness and related conditions is clearly documented in the patient's clinical record.

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