



December 27, 2023

Sent via Electronic Mail

RE: Medicare Coverage of Insulins via Insulin Pumps

To Whom It May Concern,

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit American National Standards Institute (ANSI) Accredited Standards Developer (ASD) consisting of more than 1,500 members representing entities including, but not limited to, claims processors, data management and analysis vendors, federal and state government agencies, insurers, intermediaries, pharmaceutical manufacturers, pharmacies, pharmacy benefit managers, professional services organizations, software and system vendors and other parties interested in electronic standardization within the pharmacy services sector of the healthcare industry. NCPDP provides a forum wherein our diverse membership can develop business solutions, including ANSI-accredited standards and guidance for promoting information exchanges related to medications, supplies and services within the healthcare system.

For over 40 years, NCPDP has been committed to advancing the electronic exchange of information between healthcare stakeholders. The NCPDP Telecommunication Standard is the standard used for eligibility, claims processing, reporting and other functions in the pharmacy services industry, as named in the Health Insurance Portability and Accountability Act (HIPAA). The NCPDP SCRIPT Standard and the Formulary and Benefit Standard are the standards in use in electronic prescribing, as named in the Medicare Modernization Act (MMA).

We are writing today to request your partnership in updating prescriber training materials that support the Medicare insulin billing policy. In July of 2023, the DME MACs released a [Dear Physician letter](#) titled "Insulin for Insulin Infusion Pumps." The letter instructs prescribers to include the statement "Insulin for Insulin Pump" on insulin prescriptions to assist pharmacy staff in determining which Medicare benefit to submit the insulin claim. In addition, the Medicare Learning Network (MLN) Matters document number [SE18011](#) titled "Current Medicare Coverage of Diabetes Supplies" also addresses the inclusion of the phrase "Insulin for Insulin Pump" on insulin prescriptions.

An update to this material is needed as, in addition to Medicare Part B covered durable insulin pumps, there are now several brands of disposable insulin pumps on the market (e.g., V-Go®, Omnipod®, CeQur Simplicity™, etc.). Because these disposable pumps are not sufficiently durable to qualify for Medicare Part B coverage, Medicare Part D covers them along with the insulin administered through them in the same manner as insulin administered via a disposable needle and syringe.

The lack of distinction between durable and disposable insulin pumps on insulin prescriptions has led to inaccurate outcomes in Medicare plan audits. Medicare auditors review a sample of claims for drugs that can fall under either Part B or Part D to determine if the plan paid the claims correctly, and there can be financial repercussions for plans found to have paid claims incorrectly. To review insulin claims, auditors obtained copies of the prescriptions from the pharmacies and determined that Part B must cover the insulin when the prescription included a note that it would be administered via a pump. However, these

notes did not distinguish whether the pump was durable or disposable, and this distinction is the primary basis for the Part B vs Part D benefit determination.

Recommendations:

To assist the industry with billing of insulin claims to the applicable Medicare benefit, NCPDP requests:

- The DME MACs and the MLN make the distinction between durable and disposable insulin pumps in all applicable documents, including MLN SE18011 and the Dear Physician letter (July 2023) noted above.
- The DME MACs and the MLN align their prescribing guidance with the recently updated NCPDP SCRIPT Standard for issuing electronic insulin prescriptions to support the distinction between durable and disposable pump insulin delivery methods. The method for making this distinction within an electronically transmitted prescription depends on the version of the NCPDP SCRIPT Standard in use, as follows:
 - **Current MMA Named NCPDP SCRIPT Standard v2017071 Guidance**
 - *When the patient is using an insulin pump as the delivery method, for SCRIPT v2017071 the prescriber should indicate within the MedicationPrescribed Note element either “DURABLE PUMP” or “DISPOSABLE PUMP”. As insulin pumps typically leverage short-acting insulin products, delivery method triggers may need to be associated to these insulin products.*
 - **Next MMA Named NCPDP SCRIPT Standard v2023011 Guidance**
 - This version includes enhancements to capture in distinct fields on the electronic prescription which type of insulin pump (when applicable) is prescribed. This facilitates expected outcomes via system logic vs human interpretation of a free text field on electronic prescriptions.
 - *When the patient is using an insulin pump as the delivery method, as of SCRIPT v2022011 the prescriber must send the DiabeticSupply composite inclusive of the below elements. As insulin pumps typically leverage short-acting insulin products, delivery method triggers may need to be associated to these insulin products.*
 - *HasAutomatedInsulinDevice = True*
 - *InsulinPumpAdministered*
 - *This flag identifies the patient’s insulin will be administered via a durable/non disposable insulin pump.*
 - **True** = *Insulin will be delivered via a durable/non disposable insulin pump*
 - **False** = *Insulin will not be delivered via a durable/non disposable insulin pump (False may indicate a disposable pump)*

In addition, we incidentally noted a few other opportunities to update MLN SE18011:

- In the section titled “Diabetic Supplies,” we recommend noting that disposable pumps such as V-Go®, Omnipod® and CeQur Simplicity™ are covered by Part D as long as the plan rules are followed.
- In the section that addresses deductibles and cost sharing, we recommend incorporating changes from the Inflation Reduction Act (IRA) pertaining to insulin.
- In the “Anti-diabetic Drugs” section, we recommend expanding the list of diabetes medications to include new classes such as the glucagon-like peptide (GLP) agonists.

NCPDP appreciates your support of these recommended updates. Since most insulin prescriptions are transmitted electronically and the NCPDP SCRIPT Standard must be used when transmitting electronic prescriptions for Medicare beneficiaries, it will simplify the process for prescribers and pharmacies if the DME MACs and MLN provide the same direction for insulin prescriptions to providers as NCPDP provides for electronic prescribing vendors. We welcome your participation within NCPDP WG9 Insulin Pump Sub-Task Group calls to clarify any of our requests, review any draft updated versions of the impacted documents, or discuss any other potential approaches, such as a provider education webinar. The NCPDP WG9 Insulin Pump Sub-Task Group meets bi-weekly on Thursdays at 11:00 a.m. Central Time.

Thank you for the opportunity to provide comments and for your consideration of our recommendations. NCPDP looks forward to working with you to identify and deliver new opportunities to enhance and simplify the healthcare administrative process.

For direct inquiries or questions related to this letter, please contact:

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Respectfully,

A handwritten signature in black ink that reads "Lee Ann C. Stember". The signature is fluid and cursive, with the first name "Lee Ann" being more prominent than the last name "Stember".

Lee Ann C. Stember
President & CEO
National Council for Prescription Drug Programs (NCPDP)

cc: Durable Medical Equipment (DME) Medicare Administrative Contractor (MAC)