
OPINION OF TRUSTEES

In Re

Complainant: Pensioner
Respondent: Employer
ROD Case No: 11-0137 – July 26, 2017

Trustees: Michael H. Holland, Marty D. Hudson, and Joseph R. Reschini

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is a retiree of the Respondent and receives medical benefits coverage from the Respondent secondary to Medicare. The Complainant was taken by ambulance to the emergency room of his local hospital on October 5, 2015. He remained in the hospital as an observation patient until being admitted on October 8, 2015. He was discharged from the hospital on October 14, 2015. The hospital classified the Complainant as an outpatient for the period from October 5, 2015 to October 8, 2015.

From the date the Complainant arrived at the hospital on October 5, 2015, until the date of his discharge on October 14, 2015, the hospital provided to the Complainant prescription medications that he takes on a regular, self-administered basis. Aetna, the Respondent's medical claims insurer, denied coverage for prescription drugs administered to the Complainant during the period of October 5, 2015 to October 8, 2015 (the period during which he received observation services at the hospital). On appeal, Aetna upheld the original denial and forwarded the claim for review to Maximus, the independent review organization contractor for Medicare. Maximus upheld Aetna's denial decision and indicated that coverage for the drugs might be available under Medicare Part D. SilverScript, the Respondent's pharmacy benefits manager for Medicare-eligible beneficiaries, denied the Complainant's claim for benefits because the National Drug Codes for the drugs the Complainant received were either incorrect or missing. Multiple telephone calls and letters to the hospital requesting the denied pharmacy charges be resubmitted with the correct codes have gone unanswered.

Dispute

Is the Respondent required to pay \$50.49 for medications dispensed to the Complainant from October 5, 2015 to October 8, 2015?

Positions of the Parties

Position of the Complainant: The Complainant received medications while hospitalized. The medications are a covered charge.

Position of the Respondent: The Respondent did not submit a response to the complaint.

Pertinent Provisions

Article III A(1)(a) and Article III A(4)(a) and (b) of the Employer Benefit Plan state:

ARTICLE III BENEFITS

A. Health Benefits

(1) Inpatient Hospital Benefits

(a) Semi-private room

When a Beneficiary is admitted by a licensed physician (hereinafter "physician") for treatment as an inpatient to an Accredited Hospital (hereinafter "hospital"), benefits will be provided for...

* * *

Drugs and medication (including take-home drugs which are limited to a 30-day supply)

ARTICLE III BENEFITS

A. Health Benefits

(4) Prescription Drugs

(a) Benefits Provided

Benefits are provided for insulin and prescription drugs (only those drugs which by Federal or State law require a prescription) dispensed by a licensed pharmacist and prescribed by a (i) physician for treatment or control of an illness or nonoccupational accident...

(b) Benefits Excluded

Benefits shall not be provided under subsection (4)(a) for the following:

1. Medications dispensed in a hospital (including take-home drugs), skilled nursing facility or physician's office. (See Article III A (1)(a) and (5)(a) for benefits provided for drugs and medications during inpatient confinement in a hospital skilled nursing facility.)

Discussion

Article III.A(1) of the Employer Benefit Plan states that benefits will be provided for prescription medications dispensed by a hospital when the beneficiary has been admitted to the hospital as an inpatient. Observation services are hospital outpatient services. Based on the hospital's designation of the Complainant as an outpatient from October 5, 2015 to October 8, 2015, Aetna denied the charges for the prescription medications dispensed prior to the date of the Complainant's inpatient admission. However, the denial from SilverScript indicates only that the denial was due to incorrect or missing National Drug Codes. The Funds' Senior Pharmacy Manager has reviewed the file and concluded that with the exception of the over-the-counter drugs provided, the remaining drugs administered to the Complainant as an outpatient from October 5, 2015 to October 8, 2015, would have been covered by SilverScript with the correct coding been present at the time of billing. Therefore, under the provisions of the Employer Benefit Plan, the Respondent is required to provide benefits for the prescription medication dispensed to the Complainant from October 5, 2015 to October 8, 2015 in the amount of \$41.79, but is not required to provide benefits for the over-the-counter medication dispensed to the Complainant in the amount of \$8.70.

Opinion of the Trustees

Pursuant to the provisions of the Employer Benefit Plan, the Respondent is required to pay \$41.79 for prescription medications dispensed to the Complainant by the hospital, but is not required to pay \$8.70 for over-the-counter medications dispensed to the Complainant by the hospital.