Rosmond Dolen, JD
Director of Regulatory Affairs

Thomas McMahan
Executive Director, Medicaid Oversight Branch
Department of Medicaid Services
275 E. Main
Frankfort, Kentucky 40621

May 7, 2014

RE: Letter of Concern: Pharmacy DME Letter of Concern

Dear Mr. McMahan:

On behalf of WellCare of Kentucky, Inc., ("WellCare") I am responding to your letter dated May 2, 2014 in which the Department of Medicaid Services, the ("Department"), communicated a concern regarding payments to pharmacies made by WellCare of Kentucky, Inc., ("WellCare") for Durable Medical Equipment ("DME") claims on behalf of Qualified Medicare Beneficiaries ("QMB"). In accordance with the timeframes established in the Medicaid Managed Care Contract § 39.4(B), WellCare would like to offer the following information:

WellCare responded to the Department's inquiry in 2013 regarding its payment process for dual eligible members. Among the information submitted were policies and procedures, in addition to specific step action documents that included claim examples which demonstrated WellCare's methodology for processing Medicare crossover claims. These documents also included the methodology used to calculate member cost share.

Following submission of those documents, WellCare received confirmation from the Department indicating compliance with regulations regarding payment of crossover claims. Based upon the closure letter received on April 29, 2013, in which no adverse conclusions were determined, WellCare continued to process all dual eligible claims in accordance with the previously submitted policy and procedures. Our methodology to calculate member cost share with regards to crossover claims has not changed since that time.

If the Department's Letter of Concern is an indication that WellCare has not followed the intent of the previously issued guidance, WellCare respectfully requests additional clarification to ensure our payment methodology meets the Department's expectations.

Specifically, we would like to request additional the following information:

1. Should WellCare anticipate any further guidance regarding the applicability of Medicaid co-pays for a QMB dual eligible member? We were not aware this population had been identified as being exempt from Medicaid co-pays for Medicare Part B services, specifically DME.

Office Address: One Triton Office Place, 13551 Triton Park Boulevard, Suite 1800, Louisville, KY 40223
Mailing Address: One Triton Office Place,13551 Triton Park Boulevard, Suite 1800, Louisville, KY 40223
Telephone: 1-502-253-5101 | E-mail: rosmond.dolen@wellcare.com

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2. Will the Department address co-pay status for QMB members on the 834 enrollment file? Currently, some QMB members are passed to WellCare with a copay indicator.

WellCare understands this Letter of Concern may be offered as additional guidance to payment practices for reimbursement of DME claims billed through a pharmacy. Any additional information that the Department can supply to ensure compliance would be of great assistance.

WellCare appreciates the opportunity to respond to this Letter of Concern and assures the Department that these matters are taken very seriously.

Please contact me if you have any further questions.

Sincerely,

Rosmond Dolen, JD

Cc: Kelly Munson, State President Kentucky
Ben Orris, COO Kentucky
Lawrence Kissner, Commissioner, Department of Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Lee A. Guice, Director of Policy and Operations, Department for Medicaid Services
Jeff Mosely, General Counsel, Cabinet for Finance and Administration

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