

## Billing Medicare Part B for Insulin with New Limits on Patient Monthly Coinsurance

Starting July 1, 2023, the Part B coinsurance for a month's supply of insulin used in an insulin pump covered under the DME benefit can't exceed \$35 (as required by Section 11407 of the [Inflation Reduction Act](#)). In addition, the Part B deductible won't apply for the insulin starting July 1, 2023. This provision of the law applies only to patients who use insulin delivered through insulin pumps covered under the Part B benefit for DME.

### Affected Suppliers

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- DME suppliers who supply insulin pumps
- Pharmacies that supply insulin pumps or the insulin for the pump

### Coinsurance & Deductible

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Patient coinsurance for a month's supply of insulin won't exceed \$35 for 1-month or \$105 for a 3-month supply. The Medicare Part B deductible also won't apply for insulin provided through an insulin pump covered under the DME benefit. For purposes of this insulin coinsurance limit, the pump must be a pump covered under the DME benefit and payable under Part B.

Note: Medicare also covers disposable pumps under Medicare Part D. The Inflation Reduction Act caps cost sharing at \$35 for a month's supply of each covered insulin under Part D starting January 1, 2023.

Standard Medicare cost-sharing applies to the pumps, tubing, and any other supplies (\$79-\$158 per month, depending on the age of the pump).

## Payments to Suppliers & Pharmacies

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We'll also adjust payments to suppliers and pharmacies to account for the balance of the reduced coinsurance. Suppliers will continue to get the Medicare payment amount for the insulin (average sales price plus 6%) minus any applicable coinsurance, which is capped at \$35 for a month's supply.

If there's more than 1 claim for the same month, we'll apply the coinsurance cap to the first claim we process. DME Medicare Administrative Contractors (MACs) will make sure that coinsurance doesn't exceed \$35 per month or \$105 for a 3-month supply for claims billing for insulin delivered through an insulin pump covered under the DME benefit payable under Part B.

Your DME MAC will make sure you get paid the Medicare payment amount minus the applicable coinsurance on the claim. For example, if the coinsurance cap is met for the month on a prior claim submission and we get a subsequent claim for the same month, we won't apply coinsurance to the subsequent claim, and the supplier would get the full Medicare payment amount.

## Split Billing & Modifiers

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Don't bill for supplies of insulin for July or subsequent months before July 2023. We'll complete the system updates necessary to implement this coinsurance cap of the Inflation Reduction Act by July 3, 2023. This will make sure patients aren't charged more than the \$35 maximum allowed for the month of July.

We're adding 2 new modifiers to the April 2023 HCPCS quarterly update file:

- JK - Short Descriptor: Drug 1-month supply or less; Long Descriptor: One month supply or less of drug/biological
- JL - Short Descriptor: Drug 3-month supply; Long Descriptor: Three month supply of drug/biological

**Before July 2023:** For "from date of service" in May or June 2023, don't bill a 3-month supply of insulin. Instead, bill a 1-month supply of insulin with the JK modifier. If you bill without the JK modifier **or** with the JL modifier, your DME MAC will return the claim without processing it.

**Starting July 2023:** For "from date of service" in July and later, bill a 3-month supply of insulin with the JL modifier or a 1-month supply of insulin with the JK modifier.

The following table shows when to use the modifiers.

**Insulin Modifiers**

From Date of Service	Modifier	Billing
April 2023	JK, JL	Not required
May 2023	JK	Bill 1-month supply with HCPCS code J1817
June 2023	JK	Bill 1-month supply with HCPCS code J1817
July 2023 and later	JK <b>or</b> JL	Bill 1-month <b>or</b> 3-month supply with HCPCS code J1817

Starting in May 2023, if you don't include 1 of these modifiers (as shown in the table above), your DME MAC will return the claim without processing it.

Your DME MAC will educate you about billing during the May – June transition period.

**Resources**

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[Change Request 13014](#)

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