TO: RBHA CEOs and TRBHA Directors

FROM: Laura K. Nelson, M.D.
Deputy Director
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SUBJECT: POLICY CLARIFICATION: Coverage of Medicare Part D copayments for persons determined to have a Serious Mental Illness (SMI)

DATE: March 16, 2012

This memorandum is intended to clarify the responsibilities of Tribal and Regional Behavioral Health Authorities (T/RBHAs) and T/RBHA providers in meeting the Arizona Department of Health Services/Division of Behavioral Health Services’ (ADHS/DBHS) expectations regarding requirements in the following ADHS/DBHS policy:

- Provider Manual Section 3.5, Third Party Liability and Coordination of Benefits

Provider Manual Section 3.5, Third Party Liability and Coordination of Benefits, describes ADHS/DBHS’ expectations for T/RBHA cost sharing responsibilities for Medicare eligible behavioral health recipients enrolled in Medicare Part D. This memorandum is intended to clarify the expectation that T/RBHAs cover the cost of Medicare Part D copayments for persons determined to have a Serious Mental Illness (SMI) who have both Medicare and Medicaid benefits (“dual eligibles”). Federal regulations stipulate that Medicaid funds must not be utilized for Medicare Part D cost sharing, including coverage of copayments. As such, T/RBHAs are expected to use Non-Title XIX/XXI funds to cover Medicare Part D copayments for dual eligible persons determined SMI.

Questions regarding this clarification may be directed to the ADHS/DBHS Policy Office at (602) 364-4670.