Self-Administered Drugs

People with Medicare often need self-administered drugs while in a hospital outpatient settings, including the emergency department, observation units, surgery centers, or pain clinics. “Self-administered drugs” are drugs the member would normally take on their own. Medicare Advantage plans do not pay for self-administered drugs unless they are required as part of the hospital outpatient service the member receives. Medicare Advantage plans may cover a limited number of drugs in these settings such as drugs administered by infusion or injection that are not “usually self-administered.”

Medicare drug plans (Part D) may provide some limited reimbursement for self-administered drugs.

Self-administered drugs provided by the Outpatient Hospital are billable to a member’s Part D benefit, but only reimbursed at the contracted rate or the Medicare rate for out of network providers. The full costs for self administered drugs are the member’s liability if the member does not have coverage through a drug plan (i.e. Part D). Any costs that exceed the Part D contracted pharmacy rate or out of network Medicare rate are also the member’s liability when the member is made aware of the costs up front. Providers are expected to notify members up front of the estimated cost of the drugs when provided by the outpatient hospital’s non-contracted pharmacy. It is recommended that Providers notify the member prior to them arriving at the facility, if possible, to bring their regularly scheduled self-administered drugs with them to the hospital. This will help to reduce member abrasion and confusion.

Hospitals should have a clear policy on when they will NOT allow members to bring their medications with them to the hospital. The hospital is allowed to refuse the member to take their own medications, but the hospital must be up front with the member, consistent, and doing this for legitimate reasons (i.e. safety). When a hospital chooses to not allow the member to bring their medications, they must inform the member before the outpatient hospital stay or prior to giving the member the medication. This notification must also include the estimated cost the member will be fully responsible for when such medications are supplied from the hospital pharmacy.