Q: I am confused about what Medicaid covers with respect to medications (both prescribed and over-the-counter), eye glasses and dental services?

A: 42 CFR 483.10(c)(8) (click here) states what Medicare and Medicaid covers and what the resident is responsible for. The referenced language addresses the use of a resident’s income to cover an item/service that is medically-necessary and not Medicaid-covered. A facility is not responsible for paying for a prescription pharmaceutical for a Medicaid client.

Over-the-Counter (OTC) medications are part of a facility’s Medicaid per diem and cannot be billed through HFS’ pharmacy coverage or used as a cost to reduce a resident’s income. The OTC costs are reported on the annual Cost Report submitted to HFS by each facility and used to build the Support component of Medicaid rate. Other items the facility is responsible for providing as part of the Medicaid per diem, such as incontinence supplies, are also reported on the Cost Report.

Pharmaceuticals prescribed by a physician and covered under the HFS Pharmacy Unit drug formulary are paid by HFS directly to the pharmacy. If the pharmaceutical is not covered through the drug formulary it may be reviewed to determine if it is an allowable use of a resident income. There are very few medications not covered or for which a physician cannot prescribe a substitute. NOTE: If the resident is enrolled with one of the Medicaid Managed Care Organizations the MCO is responsible for the pharmaceuticals. The OTC cost is still built into the per diem.

Eye glasses and dentures (including relining) are Medicaid-covered items and resident income cannot be used to pay for them. If there is a specific dental (i.e., filling a cavity) or optical (replacement within a service limit timeframe) service that is medically-necessary and not Medicaid-covered, resident income use may be considered.

Please contact HFS if you need any further clarification.