

# Medical Benefits Structure

## Learning Objectives

- Identify services covered under a health plan's medical benefit
- Differentiate between medications commonly billed under medical benefit vs pharmacy benefit based on route of administration, therapeutic area, and other characteristics
- Recognize the different types of medical codes used to bill under the medical benefit
- List the information required to fill out common claim forms used to bill under the medical benefit
- Describe the various provider types and sites of care for medical benefit drugs, defining how reimbursement under the medical benefit differs for each
- Identify relevant challenges and trends impacting product market access for drugs billed under the medical benefit

What Is Important to Know About the Medical Benefit?

- Medical benefit services
- Medical benefit drugs/products
- Coding, billing, and reimbursement under the medical benefit
- Current medical benefit management landscape
- Medical policy development and operationalization

Coding Under the Medical Benefit<sup>8</sup>

Type of Medical Codes	Description
ICD Codes (International Statistical Classification of Diseases)	Describe medical diagnoses
HCPCS Codes (Healthcare Common Procedure Coding System)	<p><b>Level I:</b> Current Procedural Terminology (CPT) Codes<sup>8,9</sup></p> <ul style="list-style-type: none"> <li>5 digits that identify medical, surgical, and diagnostic services ordered by licensed HCPs; managed by the American Medical Association</li> </ul> <p><b>Level II:</b> HCPCS Codes</p> <ul style="list-style-type: none"> <li>Alphabetical letter followed by 4 digits that identify nonphysician services such as ambulance transport, durable medical equipment, and pharmacy/drugs; managed by CMS</li> </ul> <p><b>Level III:</b> Local Codes</p> <ul style="list-style-type: none"> <li>Alphanumeric starting with W, X, Y, or Z followed by 4 digits; used as miscellaneous codes when there is no level I or II code available</li> </ul>
Modifier Codes	Sometimes required with HCPCS codes; 2-digit number, 2 letters, or alphanumeric Identify additional information often required.
DRG Codes (Diagnosis-Related Grouping Codes)	Used for inpatient claims only Many insurers pay according to DRG

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