

Policy Title:	Benefit Exclusion		
Policy Number:	000826	Department:	Pharmacy
Effective Date:	July 26, 2019		
Review Date:	12/22/2025, 06/02/2026		

Purpose: To document the medications that are Benefit Exclusions (not covered) on Neighborhood.

Scope: This policy applies to the entire Neighborhood Workforce. This policy applies to the line of business(es) below:

☐ Corporate

☒ Medicare: ☒ FIDE ☒ CO-DSNP

☒ Medicaid

☒ Commercial

Policy Statement:

This policy specifies the medications or medication classes that are considered Benefit Exclusions and therefore not covered by Neighborhood. Benefit Exclusion are also listed in the Medicaid Member Handbook, the Commercial Certificate of Coverage, the FIDE Member Handbook, and the CODE Evidence of Coverage. These documents are updated annually.

Medicare Requirements: See below within the policy

FIDE/Medicaid Requirements: The Medicaid portion of the FIDE benefit will also follow the Medicaid Benefit Exclusion section listed below.

Coordination-Only DSNP Specific Requirements: None

Procedure:

The following are considered Benefit Exclusions and are therefore not covered by Neighborhood's **Medicaid** Benefit:

- Biological products for allergy immunizations;
- Biological products for vaccinations;
- Blood fractions;
- Compound medications that are not made up of at least one *legend drug*;
- Drugs prescribed or dispensed outside of Health Plan dispensing guidelines;
- Drugs that have not been proven effective according to the FDA;

- Drugs used for cosmetic purposes;
- Drugs or products whose manufacturer does not participate in the Medicaid Drug Rebate Program (MDRP) (i.e., the manufacturer does not have a signed National Drug Rebate Agreement on file with the Secretary of the Department of Health and Human Services);
- Experimental drugs (including those placed on notice of opportunity hearing status by the Federal Drug Efficacy Study Implementation [DESI]);
- Medications an enrollee may take or was given while residing in a hospital, rest home, sanitarium, nursing home, home care program, or other institution that provides prescription drugs as part of its services or which operates its own facility for dispensing prescription drugs;
- Non-medical substances (regardless of the reason prescribed, the intended use, or medical necessity);
- Off-label use of drugs, unless mandated by laws pertaining to the treatment of cancer;
- Support garments and other durable medical equipment (except for diabetic testing supplies);
- Therapeutic devices and appliances, including hypodermic needles and syringes (except when used to administer insulin or for self-administration of FDA-approved injectable drugs);
- Medications prescribed for the treatment of sexual or erectile dysfunction (ED);
- Medical marijuana;
- Medications for infertility treatment.

The following are considered Benefit Exclusions and are therefore not covered by Neighborhood's **Commercial Benefit**:

- Any drug product used for cosmetic purposes;
- Experimental drug products, off-label use of drug products, or any drug product used in an experimental manner are not covered, unless mandated by laws pertaining to the treatment of cancer;
- Medications prescribed for sexual and/or erectile dysfunction (ED);
- Medical marijuana;
- Compounded products that are not made up of at least one legend drug;
- Prescription and OTC homeopathic drugs;
- Non-drug products such as therapeutic or other prosthetic devices, appliances, supports, or other non-medical products (except diabetic testing supplies);

- Drugs that cannot be marketed lawfully without the approval of the FDA and such approval has not been granted at the time of their use or proposed use or such approval has been withdrawn;
- Non-drug products such as therapeutic or other prosthetic devices, appliances, supports, or other non-medical products (except diabetic supplies);
- Prescriptions filled at pharmacies other than Neighborhood network retail pharmacies, except for emergency care;
- Prescription drugs once the same active ingredient or a modified version of an active ingredient is available over-the-counter;
- Prescription drugs when packaged with non-prescription products;
- OTC drugs/products are not covered unless they are listed on our formulary on our website at www.nhpri.org;
- Medications used for weight loss.

The following are considered Benefit Exclusions and therefore not covered by Neighborhood's **Medicare** benefit:

- Medications that Medicare Part A or Medicare Part B already cover
- Medications used for sexual or erectile dysfunction
- Medications used for the treatment of infertility
- Medications used for cosmetic purposes or to promote hair growth
- Medications made by a manufacturer who requires associated tests or monitoring services be purchased only from them as a condition of sale
- Medications being used for indications that are not FDA-approved or compendia-supported (e.g., off-label use)
- Medications purchased outside the United States and its territories
- Non-prescription drugs, drugs used for the symptomatic relief of cough or cold symptoms, prescription vitamins and mineral products (except prenatal vitamins and fluoride preparations), drugs used to treat anorexia, weight loss, or weight gain
 - Please note, some of these above drugs are coverable under the Medicaid portion of the FIDE benefit but are not payable by the Medicare FIDE or CODE benefits
 - Please note, some weight loss drugs may be covered under the Medicare portion of the benefit according to the GENEROUS pilot CMS Innovation model in mid-2026

Definitions: N/A

Regulatory Citations/References:

Medicare Prescription Drug Benefit Manual, Chapter 6 – Part D Drugs and Formulary Requirements, Section 20

EOHHS Medicaid Managed Care Manual, Medicaid Managed Care Pharmacy Benefit Plan Protocols, Effective Date: 7/1/2023

Contract between State of Rhode Island EOHHS and Neighborhood Health Plan of Rhode Island for Medicaid Managed Care Services, Effective Date: 7/1/2025

Agreement between The Rhode Island Health Benefits Exchange and Neighborhood Health Plan of Rhode Island, Dated as of 10/8/2015

Neighborhood Health Plan of Rhode Island Certificate of Coverage for Commercial Plans

Version & Review History:

Review/Revise Date:	Summary of Changes:
December 22, 2025	Yearly review and update to new policy template and new lines of business effective 1/1/26.
June 2, 2026	Updated commercial line of business to include medications for weight loss. Updated Neighborhood's pharmacy benefit to Neighborhood.