

Affected Programs: BadgerCare Plus, Medicaid

To: Ambulatory Surgery Centers, Blood Banks, Dentists, Dispensing Physicians, End-Stage Renal Disease Service Providers, Family Planning Clinics, Federally Qualified Health Centers, Hospital Providers, Nurse Midwives, Nurse Practitioners, Nursing Homes, Pharmacies, Physician Assistants, Physician Clinics, Physicians, Podiatrists, Rural Health Clinics, HMOs and Other Managed Care Programs

Provider-Administered Drugs for Members Enrolled in Managed Care Organizations Now Reimbursed by Fee-for-Service

Effective for dates of service on and after January 1, 2009, BadgerCare Plus and Medicaid fee-for-service will reimburse providers for all provider-administered drugs and corresponding administration fees for members enrolled in most managed care organizations (MCOs). Most MCOs will no longer reimburse for provider-administered drugs and administration fees.

As part of the state budget, the legislature directed the Department of Health Services to save money in the BadgerCare Plus and Wisconsin Medicaid programs. To meet this directive, changes will be made to provider-administered drugs for members enrolled in BadgerCare Plus HMOs, Medicaid SSI HMOs, and most special managed care programs.

Provider-administered drugs and related services for members enrolled in the Program of All-Inclusive Care for the Elderly (PACE) and the Family Care Partnership will continue to be provided and reimbursed by the special managed care program.

Note: Information in this *ForwardHealth Update* applies to providers who render services to BadgerCare Plus and Medicaid members.

Provider-Administered Drugs

Effective for dates of service on and after January 1, 2009, BadgerCare Plus and Medicaid will reimburse providers on a fee-for-service basis for all provider-administered drugs and corresponding administration fees. Managed care organizations (MCOs) will no longer reimburse for provider-administered drugs and administration fees.

A provider-administered drug is either an oral, injectible, or inhaled drug administered by a physician or a designee of the physician (e.g., nurse, nurse practitioner, physician assistant) or incidental to a physician service. This includes all “J” codes, drug-related “Q” codes, and procedure code S4993 (Contraceptive pills for birth control).

BadgerCare Plus and Medicaid require providers to obtain provider-administered drugs or to make arrangements with a pharmacy provider to have drugs delivered from the pharmacy to the provider who will administer the drug. Arrangements to have a member pick up drugs from the pharmacy to be administered by the provider are not approved by ForwardHealth.

All existing fee-for-service policies and procedures, including copayment for provider-administered drugs, cost sharing, diagnosis restriction, prior authorization, and pricing policies, apply to claims submitted for provider-administered drugs. Providers may refer to the Online Handbook on the ForwardHealth Portal forwardhealth.wi.gov/ for more information about policies and procedures.

Providers may refer to maximum allowable fee schedules for the most current Healthcare Common Procedure Coding System (HCPCS) and *Current Procedural Terminology* (CPT) procedure codes of covered provider-administered drugs and reimbursement rates. The list of HCPCS and CPT procedure codes may be modified quarterly; providers should continue to refer to fee schedules on the Portal for the most current list of covered HCPCS and CPT procedure codes.

Claim Submission

Claims for drugs included in the cost of the procedure (e.g., a claim for a dental visit where lidocaine is administered) should be submitted to the member's MCO.

Claims for dual eligibles should be submitted to Medicare first before they are submitted to ForwardHealth. Many Medicare claims will cross over to ForwardHealth. A Medicare crossover claim is a Medicare-allowed claim for a dual eligible member sent to ForwardHealth for payment of coinsurance, copayment, and deductible. Providers should continue to submit claims for other services to the member's MCO. Providers may refer to the Online Handbook for information about submitting crossover claims to ForwardHealth.

Exemptions

Vaccines and radiopharmaceuticals and their administration fees continue to be reimbursed by a member's MCO. Providers who receive reimbursement

under a bundled rate, including inpatient and outpatient hospital providers, also continue to be reimbursed by a member's MCO.

Not Otherwise Classified Drugs

Providers who indicate procedure codes such as J3490 (Unclassified drugs) on claims for not otherwise classified (NOC) drugs must include the following on the claim:

- A National Drug Code (NDC) of the drug dispensed.
- The name of the drug.
- The quantity billed.
- The unit of issue (i.e., ea, gm, or ml).

If this information is not included on the claim or if there is a more specific HCPCS procedure code for the drug, the claim will be denied. If the item on the claim is not a Food and Drug Administration-approved drug (e.g., 17 alpha hydroxyprogesterone caproate), the claim will be denied. The Physician service area of the Online Handbook includes more information about NOC drugs.

Deficit Reduction Act Reminder

As a reminder, providers are required to comply with the requirements of the federal Deficit Reduction Act of 2005 (DRA) and submit NDCs with HCPCS and select CPT procedure codes on claims for physician-administered drugs. Section 1927(a)(7)(B) of the Social Security Act requires NDCs to be indicated on all claims submitted to ForwardHealth, including Medicare crossover claims.

Vaccines and radiopharmaceuticals are exempt from the DRA requirements. Providers who receive reimbursement under a bundled rate, including inpatient and outpatient hospital providers, are not subject to the DRA requirements.

For more information about claim submission requirements, providers should refer to the Online Handbook.

Providers may refer to the July 2008 *Update* (2008-126), titled “National Drug Codes Required on Claims for Physician-Administered Drugs,” for more information about compliance with DRA requirements.

Information Regarding Managed Care

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. Pharmacy services for members enrolled in the PACE and the Family Care Partnership are provided by the member’s MCO. Managed care organizations must provide at least the same benefits as those provided under fee-for-service.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at dhs.wisconsin.gov/forwardhealth/.

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