

Affected Programs: BadgerCare Plus, Medicaid

To: Advance Practice Nurse Prescribers with Psychiatric Specialty, Ambulatory Surgery Centers, Blood Banks, Dentists, End-Stage Renal Disease Service Providers, Family Planning Clinics, Federally Qualified Health Centers, Home Health Agencies, Hospital Providers, Individual Medical Supply Providers, Medical Equipment Vendors, Narcotic Treatment Services Providers, Nurse Midwives, Nurse Practitioners, Nursing Homes, Pharmacies, Physician Assistants, Physician Clinics, Physicians, Podiatrists, Rural Health Clinics, HMOs and Other Managed Care Programs

Changes to Provider-Administered Drugs Carve-Out Policy

Effective for claims with dates of service on and after January 1, 2015, ForwardHealth is making changes to its carve-out policy for provider-administered drugs. This *ForwardHealth Update* clarifies when providers should submit claims to ForwardHealth fee-for-service and when they should submit claims to a member's HMO.

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Background

In February 2009, ForwardHealth implemented the provider-administered drugs carve-out policy. Generally, "carve-out policy" refers to services that are provided to managed care members that are reimbursed fee-for-service, i.e., the services are "carved out" of the managed care contract. The provider-administered drugs carve-out policy identifies when drugs that are administered to members enrolled in certain managed care programs and are submitted with a Healthcare Common Procedure Coding System (HCPCS) code should be submitted on claims to ForwardHealth fee-for-service and not to the member's HMO.

The rationale for the carve-out policy was, and continues to be, to allow ForwardHealth to claim federal Medicaid rebates for services that meet the federal definition of a covered outpatient drug as stated in s. 1927(k)(2) of the Social Security Act. Services that do not meet the federal definition of a covered outpatient drug are not included in the provider-administered drugs carve-out policy.

Provider-administered drugs carve-out policy applies to certain procedure code sets, services, places of service (POS), and claim types. A service is carved-out based on the procedure code, POS, and claim type on which the service is submitted. It is important to note that provider-administered drugs may be given in many different practice settings and submitted on different claim types. Whether the service is carved in or out depends on the combination of these factors, not simply on the procedure code.

Code Set Changes

Effective for claims with DOS on and after January 1, 2015, provider-administered drugs carve-out policy is defined to include the following procedure codes:

- Drug-related "J" codes.
- Drug-related "Q" codes.
- Certain drug-related "S" codes.

Certain products and services are no longer included in the carve-out policy:

- Injection or infusion **administration** services submitted with *Current Procedural Terminology* (CPT) procedure codes.
- Products that are not approved by the Food and Drug Administration (FDA) as a drug (e.g., the services represented by J7321-J7327 are approved by the FDA as devices).
- Radiopharmaceuticals.
- Drug **supplies** submitted with HCPCS codes.

ForwardHealth has developed the Provider-Administered Drugs Carve-Out Procedure Codes table, which indicates the status of procedure codes considered under the provider-administered drugs carve-out policy. Refer to the Physician page of the Provider-specific Resources area of the ForwardHealth Portal at www.forwardhealth.wi.gov for a copy of this table. The table provides information on Medicaid and BadgerCare Plus coverage status as well as carve-out status based on POS.

Note: The table will be revised in accordance with annual and quarterly HCPCS code updates. Other policy revisions affecting the table may be made at any time, so providers should refer to the Physician Resources page of the Portal for the most current information.

Claim Type and Place of Service Changes

Institutional Claims

Providers that submit claims for services on an institutional claim also are required to submit claims for provider-administered drugs on an institutional claim.

Institutional claims that include provider-administered drugs must be submitted to ForwardHealth fee-for-service for fee-for-service members and to the HMO for managed care members.

Professional Claims

Providers that submit claims for services on a professional claim also are required to submit claims for provider-administered drugs on a professional claim.

Professional claims that include provider-administered drugs must be submitted to ForwardHealth fee-for-service for fee-for-service members.

Professional claims for provider-administered drugs must be submitted to ForwardHealth fee-for-service for managed care members. Other services submitted on a professional claim must be submitted to the HMO for managed care members.

The following POS codes will not be accepted by ForwardHealth fee-for-service when submitted by a provider on a professional claim:

- 06 — Indian Health Service Provider-Based Facility.
- 08 — Tribal 638 Provider-Based Facility.
- 21 — Inpatient Hospital.
- 22 — Outpatient Hospital.
- 23 — Emergency Room — Hospital.
- 51 — Inpatient Psychiatric Facility.
- 61 — Comprehensive Inpatient Rehabilitation Facility.
- 65 — End-Stage Renal Disease Treatment Facility.

For additional information on claims submission, providers should refer to the Provider-Administered Drugs topic (topic #4382) in the Submission chapter of the Claims section of the Online Handbook on the Portal.

Reminders

To ensure the integrity of the drugs administered to members, prescribers are reminded that they are required to obtain all drugs that will be administered in their offices. Prescribers may obtain a provider-administered drug from the member's pharmacy provider if the drug is transported directly from the pharmacy to the prescriber's office. Prescribers may also obtain a drug to be administered in the prescriber's office from a drug wholesaler. Pharmacy

providers should not dispense a drug to a member if the drug will be administered in the prescriber's office.

Note: Not all policies related to provider-administered drugs are described in this *Update*. Providers should refer to the Online Handbook for more information about these policies.

Information in this *Update* applies to members enrolled in BadgerCare Plus HMOs, Medicaid HMOs, and Care4Kids. It does not apply to SeniorCare members or members enrolled in the Program of All-Inclusive Care for the Elderly (PACE) or Family Care.

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 AIDS Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health, Wisconsin DHS.

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

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This *Update* was issued on 12/16/2014 and information contained in this *Update* was incorporated into the Online Handbook on 01/02/2015.