518.1 PHYSICIAN ADMINISTERED DRUGS

TABLE OF CONTENTS

518.1 PHYSICIAN ADMINISTERED DRUGS

BACKGROUND

The Omnibus Budget Reconciliation Act of 1990 (OBRA '90) mandated major change in coverage and reimbursement for Medicaid-covered outpatient drugs. West Virginia Medicaid reimbursement is limited to drugs whose manufacturers have entered into and have in effect a rebate agreement with the Secretary, US Department of Health and Human Services.

POLICY

West Virginia Medicaid offers a comprehensive scope of drug coverage to Medicaid members, subject to medical necessity and appropriateness criteria, such as but not limited to FDA-approved indication, dose limitations, and age restrictions; and prior authorization requirements, if applicable.

Medications that are not self-administered, i.e., physician- and facility-administered, are reimbursed utilizing the assigned HCPCS code(s).

Per federal Medicaid rules and regulations, only drugs produced by pharmaceutical manufacturers participating in the federal drug rebate program are covered. In order to collect drug rebates as required by federal law, the National Drug Code (NDC) must be submitted when billing for covered medications. Claims submitted without the appropriate NDC will be denied. Providers are required to bill for the actual NDC that is administered. For drug codes requiring an NDC, coverage depends on the drug NDC status (rebate eligible, Non-DESI, non-termed, etc.) on the date of service. Refer to the HCPCS/Drug Code List on the BMS webpage for coverage and other information regarding physican- and facility-administered drugs.

Administration for drugs billed with a HCPCS code is not reimbursed when administered as a result of an evaluation and management (E&M) service.

Physician- and facility-administered medications are reimbursed using the Centers for Medicare and Medicaid Services'(CMS) pricing file found at Medicare Part B Drug Average Sales Price. In the absence of a fee, pricing will reflect the methodology used for retail pharmacies.

Refer to *Chapter 518, Pharmacy Services*, for coverage, limitations, and policy information pertaining to self-administered drugs dispensed by participating pharmacies.

518.1.1 INJECTIONS

Appropriate HCPCS codes are used to bill for the reimbursement of the medication injected or infused.

If there is not a specific HCPCS code for the medication, West Virginia Medicaid reimburses claims billed with J3490 only. These claims must be billed on a paper claim.

When billing with J3490, the following information may be required:

- The name of the drug
- National Drug Code (NDC)
- Exact dosage administered
- Strength of the drug administered

- A cost invoice for the drug

518.1.2 HEMOPHILIA

Diagnosis, treatment, and prophylactic blood factor therapy is covered for children and adults with hemophilia and other hemorrhagic conditions. Blood factor supplied to a member with a crisis episode is covered without restriction, as needed to control the bleeding. A list of covered hemophilia factors is available on the HCPCS /Drug Code List on the BMS webpage. Hemophilia factors are not covered by the MCOs.

518.1.3 CHEMOTHERAPY

West Virginia Medicaid covers chemotherapy administration. This service includes refilling and maintenance of a portable or implantable pump, chemotherapy injection/infusion, and provision of the chemotherapy agent. The preparation of the chemotherapy agent is included in the payment for administration of the agent and; therefore, is not separately reimbursable. Chemotherapy drugs administered in the office are reimbursed using the appropriate HCPCS code. An office visit on the same date of service as the chemotherapy administration may be covered if it is for a separately identifiable service documented in the member's medical record. Refer to the HCPCS /Drug Code List on the BMS webpage for coverage and other information.

A PAAS PCP referral is required if an oncologist or other specialist provides the chemotherapy services.

518.1.4 PALIVIZUMAB/SYNAGIS®

Prior authorization through the Rational Drug Therapy Program (RDTP) is required for all orders for Palivizumab (Synagis®). RDTP may be reached at 1-800-847-3859 or faxed at 1-800-531-7787. The mailing address is:

Rational Drug Therapy Program
West Virginia University, School of Pharmacy
Robert C. Byrd Health Sciences Center
PO Box 9511
Morgantown, West Virginia 26506-9511

Refer to the BMS website for Synagis® coverage criteria.

518.1.5 BOTULINUM TOXIN

West Virginia Medicaid reimburses for botulinum toxin using the applicable HCPCS code when used for approved indications, and requires prior authorization. Refer to the BMS website for Botulinum Toxin coverage criteria.

518.1.6 PHYSICIAN ADMINISTERED DRUGS – 340B PROGRAM

Section 340B of the Public Health Services Act of 1992 provides access to deeply discounted drugs for certain provider entities who meet the qualifications for participation in the 340B Program, as established

by the Health Resources and Services Administration (HRSA). This program allows participating providers, including eligible hospitals, to offer medications to their patients at deeply discounted prices.

Per federal law, drugs with discounts generated from participation in the 340B Program are not eligible for Medicaid federal drug rebates and drug claims from these provider entities must be exempted from Medicaid drug rebate invoicing. All provider entities must submit their **actual acquisition costs (AAC)** when billing for drugs purchased under the 340B Program when billing claims to the West Virginia Medicaid Program. Submission of drug purchase invoices may be required for audit purposes.

All covered entities must ensure that the drugs purchased through this program are used for **outpatients only**. This program does not apply to drugs supplied to inpatients. Covered entities are prohibited from transferring or reselling 340B purchased drugs to individuals who are not patients of the facility. The entity is responsible for implementing systems to ensure compliance and maintain documentation of these practices.

All entities must apply to HRSA for participation in the 340B Program. At the time of application, providers must determine whether they will use 340B drugs for their Medicaid patients (carve-in) or whether they will purchase drugs for their Medicaid patients through other sources (carve-out).

- Entities that carve-in are required to inform HRSA of their decision by providing their Medicaid provider number/National Provider Identifier (NPI) at the time they enroll in the 340B Program that they will purchase and dispense 340B drugs for their Medicaid patients. If covered entities bill Medicaid for drugs purchased under 340B, then ALL drugs billed with that number must be purchased under 340B and that Medicaid provider number/NPI must be listed on the HRSA Medicaid Exclusion File.

- In addition to the HRSA application process, BMS requires that participating 340B Program providers certify their participation by completing the required 340B Certification Form.

- Entities that opt to carve-out of the 340B Program must purchase drugs from another source and that Medicaid provider number/NPI should not be included on the HRSA Medicaid Exclusion File.

HRSA maintains a current listing of eligible providers on the HRSA website at http://www.hrsa.gov/opa/index.html. It is the providers' responsibility to verify that the HRSA listing of their participation is current and accurate. Providers must report any changes in Medicaid 340B Program participation to HRSA and to BMS **before** implementing this change. A written notice of a change in participation must be received no later than thirty (30) days prior. Notices must be sent to:

The Bureau for Medical Services
Attn: Pharmacy Services
350 Capitol Street, Room 251
Charleston, West Virginia 25301

REFERENCES

West Virginia State Plan references reimbursement for physician and facility-administered drugs at 4.19-B(12)(b).

518.1 PHYSICIAN ADMINISTERED DRUGS

GLOSSARY

Definitions in Chapter 200, Definitions and Acronyms apply to all West Virginia Medicaid services, including those covered by this chapter.

CHANGE LOG

REPLACE	TITLE	CHANGE DATE	EFFECTIVE DATE
New Policy	Physician Administered Drugs		October 1, 2015