

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Vicki Goethals

Phone Number:

Initial

Public Comment

Final

Brief description of policy:

This policy updates pharmacy benefit coverage of medical injectable physician-administered carve-out drugs.

Reason for policy (problem being addressed):

To increase flexibility of providers to bill for physician-administered drugs by allowing Medicaid pharmacy benefit coverage of outpatient physician-administered drugs that are carved-out of Medicaid Health Plan coverage. Effective January 1, 2025, injectable drug products covered under the medical benefit and carved-out of Medicaid Health Plan coverage will be covered as a Medicaid pharmacy benefit when billed in accordance with bulletin MSA 18-02.

Budget implication:

budget neutral

will cost MDHHS \$, and (select one) budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No

Does policy have operational implications on other parts of MDHHS?

No

Does policy have operational implications on other departments?

No

Summary of input:

controversial (Explain)

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status:	If yes,
<input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	Submission Date:
Date: Approval Date:	

DRAFT FOR PUBLIC COMMENT		
	Michigan Department of Health and Human Services	Project Number: 2443-Pharmacy Date: November 27, 2024

Comments Due: January 2, 2025

Proposed Effective Date: January 1, 2025

Direct Comments To: Vicki Goethals

Address:

E-Mail Address: goethalsv@michigan.gov

Phone:

Fax: 517-346-9809

Policy Subject: Update to Pharmacy Benefit Coverage of Medical Injectable Physician-Administered Carve-Out Drugs

Affected Programs: Medicaid, Healthy Michigan Plan, MICHild, Maternity Outpatient Medical Services (MOMS), Children’s Special Health Care Services (CSHCS)

Distribution: All Providers

Summary: This policy provides an update regarding the Medicaid pharmacy benefit coverage of outpatient physician-administered drugs. Effective January 1, 2025, injectable drug products covered under the medical benefit and carved-out of Medicaid Health Plan coverage will be covered as a Medicaid pharmacy benefit when billed in accordance with bulletin [MSA 18-02](#).

Purpose: To increase flexibility of providers to bill for physician-administered drugs by allowing Medicaid pharmacy benefit coverage of outpatient physician-administered drugs that are carved-out of Medicaid Health Plan coverage.

Cost Implications: Budget neutral

Potential Hearings & Appeal Issues: None

State Plan Amendment Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Public Notice Required: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If yes, date submitted:	Submitted date:

Tribal Notification: Yes No - **Date:**

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Bulletin Number: MMP 24-62

Issued: November 27, 2024

Subject: Update to Pharmacy Benefit Coverage of Medical Injectable Physician-Administered Carve-Out Drugs

Effective: January 1, 2025

Programs Affected: Medicaid, Healthy Michigan Plan, MICHild, Maternity Outpatient Medical Services (MOMS), Children's Special Health Care Services (CSHCS)

This policy provides an update regarding the Medicaid pharmacy benefit coverage of outpatient physician-administered drugs. Effective January 1, 2025, injectable drug products covered under the medical benefit and carved-out of Medicaid Health Plan (MHP) coverage will be covered as a Medicaid pharmacy benefit when billed in accordance with bulletin [MSA 18-02](#).

If the practitioner uses a pharmacy to acquire the drug for administration, the pharmacy must submit the claim as a pharmacy claim. This change will allow pharmacy providers to be reimbursed for these injectable drugs using a rate based on the National Drug Code (NDC). Place of Service code "11", which indicates "Office", must be entered in the National Council for Prescription Drug Programs (NCPDP) Patient Segment field 307-C7. For additional information on submitting these claims, refer to the current Pharmacy Claims Processing Manual located at <https://mi.primetherapeutics.com/> >> Provider Portal >> Documents >> Manuals.

The rates for drug product reimbursement are outlined in the Michigan Medicaid State Plan. Professional and institutional claims for physician-administered injectable drugs will continue to be covered through the process described in the [Michigan Department of Health and Human Services \(MDHHS\) Medicaid Provider Manual](#).

Pharmacies and prescribing practitioners must ensure that claims are not duplicated. Claims for these drugs are currently paid through the Medicaid Fee-for-Service (FFS) benefit for beneficiaries who are enrolled in an MHP and FFS.

Refer to the Physician-Administered Injectables section in the Pharmacy chapter of the MDHHS Medicaid Provider Manual for detailed policy requirements on the dispensing, handling, and delivery of injectable drugs.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments to Vicki Goethals at GoethalsV@michigan.gov.

Please include "Update to Pharmacy Benefit Coverage of Medical Injectable Physician-Administered Carve-Out Drugs" in the subject line.

Comments received will be considered for revisions to the change implemented by this bulletin.

Manual Maintenance

Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved



Meghan E. Groen, Director
Behavioral and Physical Health and Aging Services Administration