

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Vicki Goethals

**Phone Number:**

Initial ☐

Public Comment ☒

Final ☐

### Brief description of policy:

The purpose of this bulletin is to establish pharmacy coverage where an outcomes-based contract between the Michigan Department of Health and Human Services (MDHHS) and the drug manufacturer exists and for other select high-cost physician-administered drugs/therapies. Effective for dates of service beginning July 1, 2025, in accordance with the below requirements, pharmacies may bill for eligible high-cost drugs/therapies that are typically physician-administered and otherwise billed along with related services on the professional claim format.

### Reason for policy (problem being addressed):

Establishing this policy will allow timely provision of select physician-administered high-cost drugs and other drugs/therapies that are part of the MDHHS value-based care model.

### 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. While this policy does include the Program Review Division for Prior Authorization approval, they are already doing so at this time.

### 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 If Yes, please provide status: <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied Date: Approval Date:	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, Submission Date:
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<b>DRAFT FOR PUBLIC COMMENT</b>  <b>Michigan Department of Health and Human Services</b>		
	<b>Project Number:</b> 2510-Pharmacy	<b>Date:</b> April 4, 2025

**Comments Due:** May 9, 2025  
**Proposed Effective Date:** July 1, 2025  
**Direct Comments To:** Vicki Goethals  
**E-Mail Address:** [goethalsv@michigan.gov](mailto:goethalsv@michigan.gov)  
**Phone:** **Fax:** 517-346-9809

**Policy Subject:** Pharmacy Coverage for Outcomes-Based Contracts and Other Select High-Cost Physician-Administered Drugs or Therapies

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

**Distribution:** All Providers

**Summary:** The purpose of this bulletin is to establish pharmacy coverage where an outcomes-based contract between the Michigan Department of Health and Human Services (MDHHS) and the drug manufacturer exists and for other select high-cost physician-administered drugs/therapies. Effective for dates of service beginning July 1, 2025, in accordance with the below requirements, pharmacies may bill for eligible high-cost drugs/therapies that are typically physician-administered and otherwise billed along with related services on the professional claim format.

**Purpose:** Establishing this policy will allow timely provision of select physician-administered high-cost drugs and other drugs/therapies that are part of the MDHHS value-based care model.

**Cost Implications:** Budget neutral

**Potential Hearings & Appeal Issues:** None

<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If yes, date submitted:</b>	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Submitted date:</b>
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**Tribal Notification:** Yes ☐ No ☒ - **Date:**

**THIS SECTION COMPLETED BY RECEIVER**

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

<b>Signature:</b>	<b>Phone Number</b>
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**Signature Printed:**

<b>Bureau/Administration</b> ( <i>please print</i> )	<b>Date</b>
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# Proposed Policy Draft

Michigan Department of Health and Human Services  
Behavioral & Physical Health and Aging Services Administration

**Distribution:** All Providers

**Issued:** May 30, 2025 (Proposed)

**Subject:** Pharmacy Coverage for Outcomes-Based Contracts and Other Select High-Cost Physician-Administered Drugs or Therapies

**Effective:** July 1, 2025 (Proposed)

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

The purpose of this bulletin is to establish pharmacy coverage where an outcomes-based contract between the Michigan Department of Health and Human Services (MDHHS) and the drug manufacturer exists and for other select high-cost physician-administered drugs/therapies. Effective for dates of service beginning July 1, 2025, in accordance with the below requirements, pharmacies may bill for eligible high-cost drugs/therapies that are typically physician-administered and otherwise billed along with related services on the professional claim format.

Outcomes-based contract arrangements are part of a value-based care model. These are commonly called value-based purchasing agreements. Under such arrangements, the drug manufacturer agrees to pay a supplemental rebate payment for their drug or therapy tied to predetermined access to the drug product, clinical outcomes or measurements, or conditional coverage of the drug while data regarding its clinical effectiveness is collected.

Establishing this policy will allow timely provision of select physician-administered high-cost drugs and other drugs/therapies that are part of the MDHHS value-based care model.

## **Eligible High-Cost Drugs or Therapies**

Select high-cost physician-administered injectable drug products or therapies, including gene therapies, may be billed at point-of-sale as a Medicaid Fee-for-Service (FFS) pharmacy benefit if the product is on the Select High-Cost Physician-Administered Injectable Drugs or Therapies list maintained on the MDHHS Michigan Pharmacy Benefits Manager (PBM) website. The MDHHS PBM website can be accessed at: <https://mi.primetherapeutics.com> >> Provider Portal >> Documents >> Other Drug Information >> Select High-Cost Physician-Administered Drugs or Therapies.

Prescribers should refer to this list for updates.

## **Prior Authorization**

Eligible products may require an approved prior authorization (PA) for reimbursement.

Physician-administered drugs and therapies require the prescribing practitioner to submit a request for PA to the MDHHS Program Review Division. Requests may be submitted via direct data entry in the Community Health Automated Medicaid Processing System (CHAMPS) or via fax using the MSA-6544-B Practitioner Special Services Prior Approval Request/Authorization Form, available online at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Policy, Letters & Forms >> Forms. For additional information, refer to the General Information for Providers chapter of the [MDHHS Medicaid Provider Manual](#), Prior Authorization section. The prescribing practitioner must then provide the approval letter and prescription to the pharmacy for further processing.

For pharmacy prior authorizations, the standard prior authorization form is available online at the Michigan PBM website at: <https://mi.primetherapeutics.com> >> Provider Portal >> Forms >> Prior Authorization. If a drug has established drug-specific clinical criteria, refer to the Clinical and PDL PA Criteria document at: <https://mi.primetherapeutics.com> >> Provider Portal >> Documents >> Other Drug Information. Forms must be submitted to the FFS program for review. For additional information on the pharmacy PA requirements, refer to the Prior Authorization section in the Pharmacy Chapter of the [MDHHS Medicaid Provider Manual](#).

## **Pharmacy Claim Submission**

The pharmacy will submit the claim as a pharmacy claim to Medicaid FFS through the MDHHS PBM. The following National Council for Prescription Drug Programs (NCPDP) Place of Service code should be reported in accordance with any drug manufacturer requirements including, but not limited to:

- Patient Segment Field 307-C7: Place of Service codes
  - 19 Off-Campus Outpatient Hospital
  - 22 On-Campus Outpatient Hospital
  - 11 Office
  - 12 Home
  - 32 Nursing Facility

For specific questions about the billing or coverage of select high-cost physician-administered drugs or therapies through a pharmacy, providers may contact the Medicaid Pharmacy Services Mailbox at: [MDHHSPharmacyServices@michigan.gov](mailto:MDHHSPharmacyServices@michigan.gov).

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. Coverage and reimbursement for these drugs and ancillary services related to these drugs are subject to all existing MDHHS coverage and billing policies. The rates for drug product reimbursement are outlined in the Michigan Medicaid State Plan.

Pharmacy providers who receive Medicaid reimbursement for select high-cost drugs or therapies may be subject to audit at any time. Pharmacy providers are required to retain relevant documentation supporting adherence to MDHHS program requirements and produce it for and/or submit it to MDHHS upon request. MDHHS may deny or recoup payment for services that fail to meet program requirements.

If billed as a pharmacy benefit, the cost of the drug or therapy is prohibited from also being billed by the administering provider. Pharmacies and prescribing practitioners must ensure that claims are not duplicated.