



New Physician Dispenser Policy

After September 1, 2022, Medicaid pharmacy claims submitted from a physician dispenser will be rejected by Healthfirst's pharmacy benefit manager, CVS Caremark.

As part of the Non-Enrolled Provider/Pharmacy Directive, providers will no longer be able to dispense prescription drugs directly to patients for at-home self-administration under the **Pharmacy** benefit effective September 1, 2022, **subject to any grace period that may be adopted by New York State.**

New York State Department of Health has requested that Healthfirst notify practitioners of this change and inform them that they will need to bill claims through the **Medical** benefit after September 1, 2022, to be reimbursed. These conditions apply as follows:

- Practitioners that choose to dispense prescription medications to their patients will be eligible to bill these medications through a medical claim form and will be reimbursed at actual invoice cost for the drug dispensed or under the terms of the provider contract.
- Providers may not submit an office visit claim for the sole purpose of dispensing a drug that the member can obtain at a New York State Medicaid enrolled pharmacy.
- Practitioners practicing within their scope of practice that dispense prescription medications directly to patients are not considered a pharmacy—and therefore are **NOT eligible for Medicaid enrollment or reimbursement as a pharmacy provider.**

Please see the following information regarding our claims submission process.

Tips for Claims Submission

The following tips will assist providers with verifying benefits, navigating prior authorizations, and submitting claims for drug administration:

1. Determine if the drug is covered as a medical or pharmacy benefit and if there are any applicable prior authorization requirements.
2. Accurately complete and submit a prior authorization request (if required)
 - a. If required, include a Letter of Medical Necessity that outlines the patient's medical history and the rationale for therapy.
 - b. Consider attaching a copy of the package insert and any other supporting documentation.

Provider Alert

- c. Ensure medical records include full and proper documentation of patient's history, prior therapy, and rationale for treatment.
3. Determine any special distribution requirements (e.g., free to the facility via a NYS benefit, mandatory use of a specific specialty pharmacy, or requirements to buy-and-bill).
4. Specify the proper number of units on the Claim Form.
5. Verify that all identification numbers and names are entered correctly.
6. Use correct ICD-10-CM codes, including fourth or fifth digits.
7. Indicate the 11-digit National Drug Code (NDC) on the Claim Form.
8. Verify the use of proper HCPCS and CPT codes.
 - a. Example: If the drug has been delivered in the patient's name from a specialty pharmacy or was received at no charge to the facility, enter the appropriate administration CPT code (i.e., 96372) and enter the appropriate HCPCS code (i.e., J0401) with a charge of \$0.
9. If applicable, confirm that the correct revenue code is used with the appropriate supporting HCPCS code.
10. File the claim in a timely fashion.

Responsibility Reminder

- Providers should administer drugs and biologicals in the most cost-effective and clinically appropriate manner.
- Providers will utilize the most appropriately sized single-use vial or combination of single-use vials to deliver the ordered dose of medication and minimize waste.
- Reimbursement for drugs and biologicals will be made in accordance with the provider's contract.

Please refer to the Healthfirst Provider Manual, NYS Medicaid guidance, and the article [Billing and Coding: Complex Drug Administration Coding \(A58620\) \(cms.gov\)](#) for applicable requirements and limitations.

If you have any questions, please contact your Network Account Manager, or call Provider Services at **1-888-801-1660**, Monday to Friday, 8:30am–5:30pm.