healthfirst
Health Insurance for New Yorkers

Reimbursement Policy

Subject:	New Physician Dispenser		
Policy Number:	PO-RE-096v1		
Effective Date:	09/01/2022	**Last Approval Date:**	4/15/2024

I. Policy Description

Effective 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.

Policy Scope

The 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.

Reimbursement Guidelines:

1. Practitioners that choose to dispense prescription medications to their patients will be eligible to bill these medications through a medical claim form (CMS 1500 or UB04) and will be reimbursed at actual invoice cost for the drug dispensed or under the terms of the provider contract.

2. 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.

3. 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**.

4. Prior Authorization and Claim Submission:
    a. Accurately complete and submit a prior authorization request if required.
    b. If required, include a Letter of Medical Necessity that outlines the patient's medical history and the rationale for therapy. Consider attaching a copy of the package insert and any other supporting documentation.

c. Ensure medical records include full and proper documentation of the patient's history, prior therapy, and rationale for treatment.

5. Special Distribution Requirements:
    a. 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).

6. Claim Form Requirements:
    b. Specify the proper number of units on the Claim Form.
    c. Verify that all identification numbers and names are entered correctly.
    d. Use correct ICD-10-CM codes, including fourth or fifth digits.
    e. Indicate the 11-digit National Drug Code (NDC) on the Claim Form (see related policies).
    f. Verify the use of proper HCPCS and CPT codes.
        i. 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.
    g. If applicable, confirm that the correct revenue code is used with the appropriate supporting HCPCS code.
    h. Claim submissions will be subject to timely filing requirements, as set forth in the provider contract with Healthfirst and in the Healthfirst Provider Manual. Refer to: Healthfirst Provider Manual Subsection 17.6, "Claims Inquiries, Corrected Claims, Claim Reconsideration, and Appeal Process" in this section.

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.

II. Applicable Codes

Code	Description	Comment

N/A	N/A	

III. Definitions

Term	Meaning
N/A	N/A

IV. Related Policies

Policy Number	Policy Description
PO-RE-088	National Drug Code (NDC) Billing Requirements

Procedure codes appearing in Reimbursement Policy documents are included only as a general reference tool for each policy. They may not be all-inclusive.

V. Reference Materials

New York State Medicaid Update-July 2022 Volume 38
Healthfirst Provider Manual

VI. Revision History

Revision Date	Summary of Changes

Disclaimer

Healthfirst's claim edits follow national industry standards aligned with CMS standards that include, but are not limited to, the National Correct Coding Initiative (NCCI), the National and Local Coverage Determination (NCD/LCD) policies, appropriate modifier usage, global surgery and multiple procedure reduction rules, medically unlikely edits, duplicates, etc. In addition, Healthfirst's coding edits incorporate industry-accepted AMA and CMS CPT, HCPCS and ICD-10 coding principles, National Uniform Billing Editor's revenue coding guidelines, CPT Assistant guidelines, New York State-specific coding, billing, and payment policies, as well as national physician specialty academy guidelines (coding and clinical). Failure to follow proper coding, billing, and/or reimbursement policy guidelines could result in the denial and/or recoupment of the claim payment.

This policy is intended to serve as a resource for providers to use in understanding reimbursement guidelines for professional and institutional claims. This information is accurate and current as of the date of publication. It provides information from industry sources about proper coding practice. However, this document does not represent or guarantee that Healthfirst will cover and/or pay for services outlined. Reimbursement decisions are based on the terms of the applicable evidence of coverage, state and federal requirements or mandates, and the provider's participation agreement. This includes the determination of any amounts that Healthfirst or the member owes the provider.