

<b>Policy Title:</b>	Medically Administered Medications Payment Policy		
<b>Policy Number:</b>	000642	<b>Department:</b>	PHA
<b>Effective Date:</b>	11/01/2019		
<b>Review Date:</b>	1/16/2020		
<b>Revision Date:</b>	1/16/2020		

**Purpose:**

To ensure Neighborhood Health Plan of Rhode Island (Neighborhood) covers medically administered medications that are clinically appropriate and cost effective.

**Scope:**

Medicaid, Exchange, Medicare MMP

- Medications administered in either an outpatient or inpatient setting where medications are billed separately. (Medically administered medications started in an inpatient setting must meet clinical criteria to be continued through an outpatient benefit.)

**Policy Statement:**

Neighborhood Health Plan of Rhode Island will cover medically administered medications following a review by the Neighborhood P&T committee.

Options for coverage of medications are:

- Covered without Authorization
- Covered without Authorization, following medical policy
- Covered with Authorization
- Drug Exclusions, Investigation, or Experimental Services
- Not covered

\* Medically administered drugs covered under Medicare Part B may follow specific Medicare requirements.

All unclassified codes require authorization for reimbursement. If a medically administered drug has its own HCPCS code, the plan will not reimburse for the unclassified code.

Medical benefit drug claims submitted by 340B Covered Entities for drugs or biologics purchased through the 340B Drug Pricing Program must be submitted with the appropriate HCPCS modifier code, UD, during initial claim submission.

**Procedure:**

1. Medically administered medications must be billed for the correct HCPCS code. For medically administered medications that require an authorization, additional documents will be submitted to the pharmacy department for review. Failure to submit accurate HCPCS codes or additional clinical documentation may result in non-payment.
2. Medically administered medications will fall under one of the following categories:
  - a. Covered without Authorization (provider must submit an accurate HCPCS code).
  - b. Covered without Authorization, following medical policy (An example of this would include Neighborhood's Oncology Policy which allows for retrospective auditing.)
  - c. Covered with Authorization (must meet clinical medical policy criteria or medical necessity criteria)
  - d. Drug Exclusions (example: cosmetic treatment or treatment of sexual/erectile dysfunction), Investigational, or Experimental Services:
    - i. Drug or device that lacks FDA approval.
    - ii. Requested treatment is the subject of Phase I or Phase II clinical trials or the investigational arm of Phase III clinical trials. (Phase II and Phase III clinical trials can be used to support off-label use in oncology.)
    - iii. Services which are delivered in connection with, or required by, an item or service not covered.
  - e. Non-covered medications: Drug or device (that includes a drug) that the Pharmacy and Therapeutics (P&T) Committee and the Plan have determined should not be covered because such drug at the time of review lacked demonstrated effectiveness. This policy will coincide with the New to Market policy where if the P&T Committee has not reviewed the medication, the medication will not be a covered benefit unless a request is made to the CMO and approved by the CMO or his/her representative.
3. **Unclassified Codes:** An unclassified code provides the means of reporting procedures or services that do not have an established CPT/HCPCS code which adequately describes the service performed. Unclassified codes do not include descriptor language that specifies the components of a particular service, therefore one unclassified code can represent numerous procedures or services that may or may not be covered.
  - a. In order to be considered for payment, unclassified codes will require an Authorization for payment.
  - b. For Authorization, the request must include the specific NDC, NDC units, and supporting clinical documentation showing the necessity of the medication.
4. For Medicaid and Exchange
  - a. Neighborhood reserves the right to cover medications in the most administratively cost effective way that does not interfere with positive clinical outcomes.
  - b. For medications that are on the formulary under the pharmacy benefit and do not have a specified HCPCS code under the medical benefit, these medications are not covered under the medical benefit with an unclassified code.
5. 340B Drug Pricing Program
  - a. Medical benefit drug claims submitted by 340B Covered Entities for drugs or biologics purchased through the 340B Drug Pricing Program must be submitted with the appropriate HCPCS modifier code, UD, during initial claim submission.



- b. This requirement applies to all Neighborhood lines of business, Medicaid, Exchange and Medicare-Medicaid Plan (MMP).