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OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Changes in Methods and Standards for Medicaid  
Payments for Providers of Physician Administered Drugs**

In accordance with public notice requirements of 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, the Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to the reimbursement methodology for Medicaid services provided by enrolled providers of physician administered drugs, billed on the paper CMS-1500, electronic 837P, paper UB-04, and electronic 837I claim types.

The OMPP proposes to modify reimbursement for physician-administered drugs by basing the rates paid to providers of physician administered drugs under the Medicaid state plan and state regulations at [405 IAC 1-11.5](#) on 105% of the published wholesale acquisition cost (WAC) of the benchmark National Drug Code (NDC). If no wholesale acquisition cost is available, other pricing metrics may be used as determined by the office. This policy shall not apply to parenteral nutrition and blood factor products. This change shall be effective May 1, 2010.

This change in reimbursement is necessary in order to avoid a budgetary shortfall and to remain within the available Medicaid appropriation. Further, this change is necessary due to the phase-out of the publication of the average wholesale price (AWP) effective September 26, 2011. It is estimated that the fiscal impact of these changes will be savings of state and federal expenditures of approximately \$1 million for SFY 2010 and \$6.4 million for SFY 2011.

These changes will be adopted in an emergency rule. A copy of this notice is now on file at the Indiana Government Center South, 402 West Washington Street, Room W451 and open for public inspection. Also, a copy of this notice is now available and may be inspected by contacting the local county division of family resources office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W374, Indianapolis, Indiana.

The proposed changes and proposed rates are available on the Internet at:

<http://in.mslc.com>

Interested parties without Internet access should contact Myers and Stauffer, LC at (800) 877-6927 to obtain copies of the proposed changes and proposed rates.

Anyone who wishes to comment on the proposed changes may submit written comments to: IFSSA, Office of Medicaid Policy and Planning, Attention: Yvonne Burke, 402 West Washington Street, Room W374, P.O. Box 7083, Indianapolis, Indiana 46207-7083. Correspondence should be identified in the following manner: COMMENT RE: PHYSICIAN-ADMINISTERED DRUGS REIMBURSEMENT CHANGE. Written comments received will be made available for public display at the address herein of the OMPP.

Anne Waltermann Murphy  
Secretary  
Family and Social Services Administration

*Posted: 03/31/2010 by Legislative Services Agency*  
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