

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT2021110    DECEMBER 30, 2021

## Drug coverage policy clarified for members enrolled in managed care requiring admission to LTC facilities

The Indiana Health Coverage Programs (IHCP) has performed a review of drug coverage policies for members enrolled in managed care programs admitted to long-term care (LTC) facilities. This review was based upon the Centers for Medicaid & Medicare Services (CMS) requirement that managed care entities (MCEs) may not arbitrarily deny or reduce pharmacy services and must provide pharmacy services in the same amount, duration and scope as the fee-for-service (FFS) pharmacy benefit.



As a result, the IHCP determined that MCE reimbursement processes for covered outpatient drugs, dispensed by LTC pharmacy providers, should align with existing FFS processes.

Effective for claims submitted on or after Jan. 1, 2022, MCEs must no longer consider drug coverage included in per diem rates and must provide reimbursement for all covered outpatient drugs (including those typically requiring administration by a licensed healthcare provider) and covered over-the-counter (OTC) drugs to all IHCP enrolled pharmacy providers servicing members admitted to LTCs, until the member is transitioned to FFS.

LTC pharmacy providers should submit point-of-sale (POS) claims to MCE pharmacy benefit managers (PBMs) prior to dispensing, as MCEs may continue to apply utilization edits and prior authorization (PA) criteria approved by the Indiana Medicaid Drug Utilization Review (DUR) Board. Coverage of OTC drugs may be limited to those included on the MCE's OTC drug formulary. MCEs may deny reimbursement for drugs administered to members not meeting approved PA criteria and for drugs not included on the OTC drug formulary.

Please direct questions regarding this bulletin or pharmacy benefits for members in the Healthy Indiana Plan (HIP), Hoosier Care Connect and Hoosier Healthwise programs to the MCE with which the member is enrolled. For questions regarding FFS members pharmacy benefits, contact the OptumRx Clinical and Technical Help Desk by calling toll-free 855-577-6317.

### QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at 800-457-4584.

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