



**Louisiana Department of Health
Health Plan Advisory 18-10
May 29, 2018**

Physician Administered Drugs

The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) has mandated that Louisiana Medicaid revise the reimbursement methodology for physician-administered drugs in a physician office setting. This revision will update current reimbursement rates and will provide a mechanism for periodic updates to the rates.

Reimbursement is based on the current Louisiana Medicare rate. Refer to the “Notice of Intent” published in the March 20, 2018 edition of the *Louisiana Register* for details. The final Rule is scheduled to be published in the June 20, 2018 edition.

Effective for dates of service on and after July 1, 2018, Louisiana Medicaid will adjust the reimbursement rates on the fee-for-service (FFS) file for physician-administered drugs in the physician office setting. The procedure codes for physician-administered drugs are typically listed as a Healthcare Common Procedure Coding System (HCPCS) procedure code beginning with “J.” The rate revision will be reflected on the FFS procedure file and on the published Professional Services fee schedule. Updates to the reimbursement rates will occur each year as part of the annual HCPCS process. The managed care organizations (MCO) may pay no less than the rate on the fee schedule.

Each MCO shall revise their reimbursement rates for these medications within 30 days of the published Medicaid fee schedule changes (Section 17.2.7.3 of the contract) and recycle any claims that were not paid in accordance with the updated rates within 30 days (Section 17.2.7.3.1 of the contract).