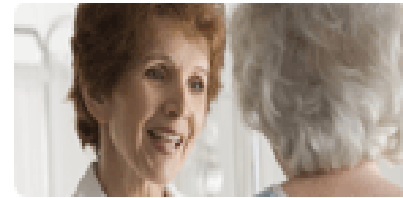




Department of  
**Health Care Services**



Stakeholder Session Project Update

Pharmacy Reimbursement Project  
**Changes to Blood Factors Reimbursement**

January 22, 2019

# Today's Agenda

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1. Welcome and Introductions
2. Project Background
3. Proposal Considerations
4. Proposed Methodology
5. Next Steps
6. Open Q&A
7. Project Contact Information

# Welcome and Introductions

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- We welcome our Stakeholder Community
- Meet the DHCS Pharmacy Team
- Housekeeping Notes
  - Webinar participant phones will remain muted during the presentation, and will be unmuted after for the Q&A session

# Project Background

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- Efforts are driven by the Covered Outpatient Drug Final Rule (CMS-2345-FC) released by CMS in 2016
- Final Rule compliance requires that blood factor reimbursement must be documented in State Plan
- In December 2016, DHCS learned from CMS that the current reimbursement of ASP + 20% would not be acceptable
- DHCS received SPA 17-002 approval letter in August 2017, which acknowledged the blood factors methodology was still outstanding. DHCS initiated regular progress checkpoints with CMS.
- DHCS conducted a stakeholder outreach event in October 2017 presenting the first blood factor reimbursement proposal
- DHCS collected and analyzed feedback and cost of dispensing specifics from the stakeholder community

# Project Background (Cont.)

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## Previous Proposal (Oct 2017)

- Blood Factor Ingredient Cost:
  - Provider to bill at Actual Acquisition Cost
  - Medi-Cal to reimburse the billed amount, not to exceed ASP + 20%, per W&I Code 14105.86
- Professional Dispensing Fee (NCPDP claims)\*:
  - \$10.05 or \$13.20 (with approved PDF self-attestation)
  - \* Blood factor billing via medical claims receive an Administrative Fee of \$4.46, not PDF.
- Associated Services:
  - Per Diem HCPCS Code S9345\* at \$474.69 for contracted providers
  - \*S9345: Home infusion therapy, antihemophilic agent infusion therapy (e.g., factor VIII); administrative services, professional pharmacy services, care coordination, and all necessary supplies and equipment (drugs and nursing visits coded separately), per diem
- 340B claims to be reimbursed using the above methodology

# Proposal Considerations

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- Takes into account the stakeholder feedback received from the October 2017 proposal.
- Leverages concepts from other states' previously approved State Plan Amendments with differing methodologies for different provider groups (Massachusetts and North Carolina).
- Differentiation between the provider groups is represented in the per unit dispensing fee reimbursement, and is supported by stakeholder submitted cost information and national industry research.
- Any approved methodology will be effective prospectively. No historical claims adjustments will be processed.

# Proposed Methodology

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- For Both Pharmacy and Non-Pharmacy Providers:
  - Blood Factor Ingredient Cost:  
Provider to bill at Actual Acquisition Cost
  - Professional Dispensing Fee:  
\$0.04 per unit (non-HTC providers)  
\$0.14 per unit (HTC providers)
- Total Reimbursement not to exceed ASP + 20%, per W&I Code 14105.86
- 340B claims to be reimbursed using the above methodology

# Next Steps

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- Initiate State Plan Amendment (SPA) process



# Open Q&A

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- Questions from participants will be taken at this time and the phone lines will be unmuted
- Please place your phone on mute unless asking a question
  - Please do not put your line on “hold” – hold “music” can disrupt the call for others.
- If asking a question, clearly identify yourself with your name and organization

# Thank You !

Please refer additional questions to:

[FactorReimbursement@dhcs.ca.gov](mailto:FactorReimbursement@dhcs.ca.gov)

**Continue to visit the project website for updates:**

**<http://www.dhcs.ca.gov/provgovpart/pharmacy/Pages/PharmSurvey.aspx>**