GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Office of the Senior Deputy Director/Medicaid Director

Transmittal # 15-20

TO: All Medicaid Providers

FROM: Claudia Schlosberg, J.D.
Senior Deputy Director and State Medicaid Director

DATE: July 2, 2015

SUBJECT: Physician-Administered Drug Fee Schedule Updates

Transmittal 14-25 notified Medicaid providers of the pending schedule changes to the DC Medicaid Fee Schedule. The current DC Medicaid Fee Schedule will be updated effective August 1, 2015. The purpose of this update is to provide clarification with respect to the reimbursement of physician-administered drugs, including chemotherapy drugs.

Under the District of Columbia's Medicaid State Plan, physician-administered drugs are reimbursed at 80% of the Medicare rate as established by the Centers for Medicare and Medicaid Services (CMS). During the past year, the Department of Health Care Finance (DHCF) undertook a comprehensive review of the reimbursement rates paid for physician-administered drugs on the DC Medicaid Fee Schedule. As a result of this review, DHCF is making adjustments to the fee schedule to ensure that reimbursement rates are aligned with the State Plan. This means that the reimbursement rate will increase for some drugs and decrease for others.

The fee schedule changes for physician-administered drugs will be effective August 1, 2015, with the exception of physician-administered chemotherapy drugs. DHCF has decided to reimburse physician-administered chemotherapy drugs at 100% of the Medicare rate, effective with approval of a State Plan Amendment (SPA). Until the SPA is approved by CMS, there will no change in the rates for physician-administered drugs for chemotherapy. This SPA is currently in progress; we plan to submit it to CMS sometime before the end of the calendar year. We will provide public notice of the changes in advance of implementation.

Detailed changes to the rates for physician-administered drugs, except for physician administered chemotherapy drugs can be found online at https://www.dc-medicaid.com/dcwebportal/providerSpecificInformation/providerInformation.

If you have any questions or suggestions related to this schedule update, please contact Amy Xing, Reimbursement Analyst, at (202) 481-3375 or amy.xing2@dc.gov.

cc: Sumita Chaudhuri, Deputy Director for Medicaid Finance
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DC Hospital Association
DC Medical Society