

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director/Medicaid Director

Transmittal # 16-22

TO: All Medicaid Providers

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

DATE: July 13, 2016

SUBJECT: **Physician-Administered Drug Fee Schedule Update – Chemotherapy-Related Drugs**

Transmittal 15-20 notified Medicaid providers of the pending fee schedule changes to the DC Medicaid Fee Schedule related to physician-administered drugs, including chemotherapy drugs. The purpose of this update is to provide clarification with respect to the reimbursement of physician-administered drugs related to chemotherapy.

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). To ensure that rates were aligned with the State Plan, 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 decided to reimburse physician-administered, chemotherapy-related drugs at 100% of the Medicare rate, effective with approval of a State Plan Amendment (SPA). CMS has now approved this SPA with a May 1, 2016 effective date. DC Medicaid began paying these new rates on June 29, 2016 for claims with dates of services from May 1, 2016. Also, we have begun retroactively reprocessing claims with dates of service from May 1, 2016 to the present and will release the results of the adjustment on July 22, 2016.

While this policy change does represent an increase in DC Medicaid rate levels for chemotherapy drugs, the current rates on some chemotherapy drugs were not in line with the State Plan; some were higher than 80% of Medicare rates and some were lower. This means that the rates on a small number of chemotherapy drugs (approximately 20%) will decrease to bring them in line with current Medicare pricing. However, for 80% of covered chemotherapy drugs, the price will increase.

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

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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: DC Hospital Association
DC Medical Society