Reimbursement Policy:

Drugs and Biologicals Payment Policy (Commercial, Medicare and Medicaid)

POLICY NUMBER	EFFECTIVE DATE:	APPROVED BY
RPC20230040	03/01/2024	**RPC (Reimbursement Policy Committee)**

Reimbursement Guideline Disclaimer: We have policies in place that reflect billing or claims payment processes unique to our health plans. Current billing and claims payment policies apply to all our products, unless otherwise noted. We will inform you of new policies or changes in policies through postings to the applicable Reimbursement Policies webpages on emblemhealth.com and connecticare.com. Further, we may announce additions and changes in our provider manual and/or provider newsletters which are available online and emailed to those with a current and accurate email address on file. The information presented in this policy is accurate and current as of the date of this publication.

The information provided in our policies is intended to serve only as a general reference resource for services described and is not intended to address every aspect of a reimbursement situation. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to, legislative mandates, physician or other provider contracts, the member's benefit coverage documents and/or other reimbursement, and medical or drug policies. Finally, this policy may not be implemented the same way on the different electronic claims processing systems in use due to programming or other constraints; however, we strive to minimize these variations.

We follow coding edits that are based on industry sources, including, but not limited to, CPT® guidelines from the American Medical Association, specialty organizations, and CMS including NCCI and MUE. In coding scenarios where there appears to be conflicts between sources, we will apply the edits we determine are appropriate. We use industry-standard claims editing software products when making decisions about appropriate claim editing practices. Upon request, we will provide an explanation of how we handle specific coding issues. If appropriate coding/billing guidelines or current reimbursement policies are not followed, we may deny the claim and/or recoup claim payment.

Overview:

This policy describes reimbursement for drugs and biologicals that are considered bundled.

EmblemHealth and ConnectiCare will align with CMS on which drugs and biologics are considered routine under facility, surgical, and room and board charges and which drugs will be reimbursed separately. The plan will follow the CMS status of pass-through payments or separately reimbursed payments.

Billing Guidelines:

The CMS Internet-Only Manual, Pub 100-04, Medicare Claims Processing Manual, Chapter 17, §90.2 provides the following instructions regarding hospital outpatient billing of Drugs and Biologicals:

- *"Hospitals should report charges for all drugs, biologicals, and radiopharmaceuticals, regardless of whether the items are paid separately or packaged, using the correct HCPCS codes for the items used."*
- *"HCPCS code C9399, Unclassified drug or biological, is for new drugs and biologicals that are approved by FDA on or after January 1, 2004, for which a specific HCPCS code has not been assigned."*

The CMS Internet-Only Manual, Pub 100-04, Medicare Claims Processing Manual, Chapter 17, §90.3 instructs, that on the claim, "providers must report:

1. the National Drug Code (NDC),
2. total quantity of the drug that was administered, expressed in the unit of measure applicable to the drug or biological, and
3. the date the drug was administered."

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Hospital claims for drugs and biologicals must be billed with the appropriate HCPCS codes when billed under revenue code 0636 (whether they are separately payable or packaged); this includes inpatient facility claims when separately payable. This is consistent with the National Uniform Billing Committee (NUBC) billing guidelines, providing CMS, EmblemHealth, and ConnectiCare with the most complete and detailed information for accurate rate setting and claims payment.

Examples of possible separately allowed drug categories:

- Drugs used with an item of durable medical equipment
- Some antigens
- Injectable osteoporosis drugs
- Erythropoiesis-stimulating agents
- Blood clotting factors
- Injectable and infused drugs
- Oral End-Stage Renal Disease (ESRD) drugs
- Parenteral and enteral nutrition (intravenous and tube feeding)
- Intravenous Immune Globulin (IVIG) provided in the home
- Vaccinations
- Immunosuppressive drugs following a Medicare paid transplant
- Oral cancer drugs
- Oral anti-nausea drugs
- Self-administered drugs in hospital outpatient setting.

Drugs and biologicals appropriately billed using C9399 may be separately payable and are priced using Average Wholesale Price (AWP) and/or CMS pricing methodology based off the National Drug Code submitted.

Not Otherwise Classified or Unlisted coded drugs and biologics (J3490 and J3590) are not separately paid and are considered inclusive of both the acquisition cost and the associated pharmacy overhead or nuclear medicine handling cost with the exception of the following pass-through high-cost prior authorized drugs:

List is subject to change as pass through statuses may change.

Brand Name	Description
Barhemsys	amisulpride
Amvuttra	Injection, vutrisiran 25mg/0.5mL
Empaveli	Injection, pegcetacoplan
Nulibry	Injection, fosdenopterin

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Brand Name	Description
Qalsody	Injection, tofersen, 1 mg
Sunlenca	Injection, lenacapavir
Syfovre	Injection, pegcetacoplan
Tegsedi	inotersen

Examples of Routinely Bundled Drugs		
IV fluids and additives including dextrose, lactated ringers, calcium	Bridion	Antibiotics
Vasostrict	Nitroglycerin	Glycopyrrolate
Analgesics / anesthetics including but not limited to:	lidocaine; marcaine; xylocaine, bupivacaine, proprofol	

References:

- CMS Pub 100-04, Medicare Claims Processing Manual, Chapter 17, §90.2 & §90.3
- National Uniform Billing Committee (NUBC) billing guidelines

Revision History

Company(ies)	DATE	REVISION
EmblemHealth ConnectiCare	5/1/2024	• Updated Reimbursement section to clarify that Hospital claims for drugs and biologicals must be billed with the appropriate HCPCS codes when billed under revenue code 0636 (whether they are separately payable or packaged); **this includes inpatient facility claims when separately payable**
EmblemHealth ConnectiCare	10/31/2023	• New Policy