

PUBLIC NOTICE
Department of Health Services
(Medicaid Reimbursement for Covered Outpatient Drugs and
Medication Therapy Management)

The State of Wisconsin reimburses providers for services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and ss. 49.43 to 49.47, Wisconsin Statutes. This program, administered by the State's Department of Health Services (the Department), is called Medical Assistance or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare Plus program under the authority of Title XIX and Title XXI of the Social Security Act and s. 49.471 of the Wisconsin Statutes. The Department also reimburses providers through the prescription drug assistance program, SeniorCare. Federal statutes and regulations require that a state plan be developed that provides the methods and standards for reimbursement of covered services. A plan that describes the reimbursement system for the services (methods and standards for reimbursement) is now in effect.

Change in Payment Methods

Among the services provided to recipients of services under Medical Assistance, BadgerCare Plus, and SeniorCare, are covered outpatient drugs.

On January 21, 2016, the Centers for Medicare & Medicaid Services (CMS) issued the Covered Outpatient Drugs final rule. The final rule addresses key areas of Medicaid drug reimbursement and mandates how state Medicaid programs must reimburse for covered outpatient drugs, including reimbursement requirements for drug ingredient costs and professional dispensing fees. The final rule assists states and the federal government in managing drug costs and creating a more fair reimbursement system for Medicaid programs and pharmacies. The proposed change is the Wisconsin Medicaid Program's implementation of the federal final rule.

The reimbursement change will be effective April 1, 2017, and will apply to claims with dates of service on or after that date. The change to Medicaid, BadgerCare Plus, and SeniorCare, is projected to result in an increase in annual expenditures of \$27,740,000 all funds (AF), composed of \$16,644,000 federal match (FED) and \$11,096,000 state funds/general purpose revenue (GPR).

The projected \$27,740,000 increase in annual expenditures also includes the estimated fiscal impact of changes to the Medication Therapy Management (MTM) Program. Effective April 1, 2017, intervention-based MTM services will be reimbursed through the professional dispensing fee; the discontinuation of add-on reimbursement for intervention-based MTM services will decrease annual expenditures by approximately \$800,000. Effective April 1, 2017, there will be a reimbursement increase for Comprehensive Medication Review and Assessments MTM, which will increase annual expenditures by approximately \$40,000.

The implementation date is the first day of the third quarter of federal fiscal year 2017 and is the first day of the fourth quarter of state fiscal year 2017.

Copies of Changes

Copies of the State Plan Amendment outlining the covered outpatient drug reimbursement changes may be obtained free of charge by calling or writing as follows:

Regular Mail:
Rachel Currans-Henry or Kelsey Brundage

Bureau of Benefits Management
Division of Medicaid Services
P.O. Box 309
Madison, WI 53701-0309

Fax:

(608) 266-1096

Attention: Rachel Currans-Henry or Kelsey Brundage

Telephone:

Rachel Currans-Henry or Kelsey Brundage
Bureau of Benefits Management
(608) 267-1421 or (608) 266-3901

E-Mail:

DHSOutpatientDrugRule@dhs.wisconsin.gov

Copies of the state plan change will be made available for review at the main office of any county department of social services or human services.

Written Comments

Written comments are welcome. Written comments on the proposed changes may be sent by FAX, e-mail, or regular mail to the Division of Medicaid Services. The FAX number is (608) 266-1096. The e-mail address is DHSOutpatientDrugRule@dhs.wisconsin.gov. Regular mail can be sent to the above address. All written comments will be reviewed and considered.

The written comments will be available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 350 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made in the proposed changed methodology based on comments received.