

Prescription Drug Coverage for Medicaid-only Nursing Home Patients by New York State Medicaid Fee-For-Service (FFS) Program

Effective July 7, 2011, reimbursement for prescription drugs for Medicaid-only nursing home residents will be covered through the Medicaid Pharmacy FFS program and billed directly to Medicaid by the dispensing long term care (LTC) pharmacy. This change in prescription drug reimbursement from a facility all inclusive Medicaid rate to the Medicaid FFS program will only apply to nursing homes (residential care facilities) as defined in Public Health Law § 2801 and will only affect prescription drugs included on the New York State Medicaid Pharmacy List of Reimbursable Drugs (available at: <https://www.emedny.org/info/formfile.aspx>). Items not covered by the nursing home prescription drug carve-out include physician administered drugs (commonly referred to as J-code drugs), over-the-counter drugs, durable medical equipment (DME) and immunization services (vaccines and their administration), which will each remain the responsibility of the nursing home facility. In addition, payment for medical supplies, such as administration sets and IV bags, will not be carved out of the rate and will continue to remain the responsibility of the nursing home facility.

Daily rates will be established to reflect the shift in reimbursement of prescription drugs from the nursing home rate to fee for service. These new rates will apply to dates of service effective July 7, 2011 and are anticipated to be published in September 2011.

Prescription claims billed directly to the Medicaid FFS program pursuant to the above described carve-out will be subject to all Medicaid program requirements including frequency/quantity limits, refill limits, and prior authorization requirements as described in the Pharmacy Policy Manual (available at: <http://www.emedny.org/ProviderManuals/Pharmacy/index.html>).

Note that this change will have ramifications with respect to nursing home residents whose Medicaid eligibility status is pending. While some prescription drugs may be covered retroactively to the date of a resident's Medicaid eligibility, there will be no retroactive coverage for prescription drugs requiring pre-authorization.

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If you have any questions, please contact the GW attorney with whom you regularly consult.

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