

MEDICAID POLICY INFORMATION SHEET

Policy Analyst: Lida Momeni

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Initial

Public Comment

Final

Brief description of policy:

This policy will allow Tribal 638 facility pharmacies to be reimbursed at the Indian Health Services (IHS) per visit outpatient rate published annually in the Federal Register. Reimbursement at the IHS rate, also known as the all-inclusive rate (AIR), would be allowed for each prescription provided to American Indian/Alaska Native and non-American Indian/Alaska Native Medicaid and Healthy Michigan Plan beneficiaries served at the Tribal 638 pharmacy.

Reason for policy (problem being addressed):

The purpose of this policy is to increase access to pharmacy services.

Budget implication:

- budget neutral
- will cost MDHHS \$ _____, and (select one) budgeted in current appropriation
- will save MDHHS \$ _____

Is this policy change mandated per federal requirements?

No.

Does policy have operational implications on other parts of MDHHS?

Yes - Systems Operations, Hospital and Clinic Reimbursement Division, Pharmacy Division, Actuarial Division, and Accounting.

Does policy have operational implications on other departments?

No.

Summary of input:

- controversial
- acceptable to most/all groups
- limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Notice Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please provide status:	If yes, Submission Date:
<input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	
Date: _____ Approval	Date: _____

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2119-APM	Date: June 18, 2021

Comments Due: July 23, 2021
Proposed Effective Date: October 1, 2021
Direct Comments To: Lida Momeni
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Phone: 517-284-1215 **Fax:**

<p>Policy Subject: Tribal 638 Facilities – Alternative Payment Methodology for Prescriptions</p> <p>Affected Programs: Medicaid, Healthy Michigan Plan, Emergency Services Only</p> <p>Distribution: Tribal Health Centers, Tribal Federally Qualified Health Centers, Medicaid Health Plans, Integrated Care Organizations</p> <p>Summary: This policy will allow Tribal 638 facility pharmacies to be reimbursed at the Indian Health Services (IHS) per visit outpatient rate published annually in the Federal Register. Reimbursement at the IHS rate, also known as the all-inclusive rate (AIR), would be allowed for each prescription provided to American Indian/Alaska Native and non-American Indian/Alaska Native Medicaid and Healthy Michigan Plan beneficiaries served at the Tribal 638 pharmacy.</p> <p>Purpose: The purpose of this policy is to increase access to pharmacy services.</p> <p>Cost Implications: Budget neutral.</p> <p>Potential Hearings & Appeal Issues: None anticipated.</p>

State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Submitted date:
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Tribal Notification: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> - Date: March 30, 2021

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Tribal Health Centers, Tribal Federally Qualified Health Centers, Medicaid Health Plans, Integrated Care Organizations

Issued: September 1, 2021 (Proposed)

Subject: Tribal 638 Facilities – Alternative Payment Methodology for Prescriptions

Effective: October 1, 2021 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, Emergency Services Only

NOTE: Implementation of this policy is contingent upon State Plan Amendment (SPA) approval from the Centers for Medicare & Medicaid Services (CMS).

The purpose of this bulletin is to announce a new payment methodology for prescriptions dispensed by Tribal 638 facility pharmacies. All prescriptions will be reimbursed at the Indian Health Services (IHS) per visit outpatient rate determined annually by CMS and published in the Federal Register. Reimbursement at the IHS rate, also known as the all-inclusive rate (AIR), will be allowed for each prescription provided to Medicaid and Healthy Michigan Plan beneficiaries served at the Tribal 638 facility pharmacy. The AIR applies to encounters for both American Indian/Alaska Native (AI/AN) and non-AI/AN Medicaid beneficiaries. The Michigan Department of Health and Human Services (MDHHS) and tribes with a participating Tribal 638 facility pharmacy will execute a written document that will outline all terms and conditions of the AIR payment methodology not specified or captured in the SPA or policy.

There is no limit on the number of prescription encounters that may be reimbursed in a single day, and each prescription constitutes a separate encounter. The encounter rate includes dispensing services and drug costs. All Tribal 638 facility pharmacies are paid the encounter rate by Michigan Medicaid regardless of their method of purchasing. Tribal 638 facility pharmacies are required to provide all drugs on the [Michigan Pharmaceutical Product List \(MPPL\)](#), and no drugs will be excluded from the AIR. All other Medicaid coverage policies and limitations apply.

MDHHS will adjudicate and reimburse the AIR for Medicaid fee-for-service (FFS) claims and cost-settle Medicaid Health Plan (MHP) and Integrated Care Organization (ICO) prescription encounters at an agreed upon frequency. A cost settlement payment is based on an estimate of the difference between (1) the AIR and (2) the amount the Tribal 638 facility receives for managed care encounters and third-party payments (including Medicare). When payment determination is made, correspondence will be sent to the Tribal 638 facility with overall

reimbursement and the non-federal match due. If the Tribal 638 facility disagrees with the amount, the facility may request reconsideration within 14 calendar days of the date of the correspondence. Requests must be supported with sufficient details and examples for MDHHS to render a determination. (Refer to the Tribal Health Centers Chapter of the [Medicaid Provider Manual](#) for information on appealing an adverse action.)