



CHARLIE CRIST
GOVERNOR

THOMAS W. ARNOLD
SECRETARY

June 7, 2010

Dear Medicaid Provider:

Effective July 1, Medicaid is changing the way we process claims for physician-administered drugs. Florida Medicaid reimburses physician-administered drugs for which the manufacturer has a federal rebate agreement per Section 1927 of the federal Social Security Act (42 U.S.C. 1396r-8). Only drugs that have a rebate are considered for Medicaid reimbursement; all others are not reimbursed. The current list of manufacturers that have drug rebate agreements is available on our Web site at <http://ahca.myflorida.com>. At the top of the page, click on "Site Menu," then on "Division of Medicaid." Scroll down to "What is Occurring in Medicaid?" and then click on "Current List of Drug Rebate Manufacturers."

Medicaid is implementing the Healthcare Common Procedure Coding System (HCPCS) to National Drug Code (NDC) crosswalk, which contains NDC numbers matched up to HCPCS codes. The crosswalk is published and updated quarterly by the Centers for Medicare and Medicaid Services. Effective **July 1, 2010**, Medicaid will process HCPCS J-code drug claims in accordance with the crosswalk drug information. Use of the crosswalk to adjudicate drug claims will ensure that physician-administered drugs furnished in physician offices or other outpatient settings are not reimbursed unless they are for drugs for which there is a rebate.

Physician-administered drugs billed with HCPCS codes, such as the J-codes, must always be accompanied by the corresponding NDC number on the CMS-1500 claim form. This requirement also applies to Medicare/Medicaid crossover claims. The NDC must reflect the correct amount and dosage provided to the Medicaid recipient. Therefore, for claims received on or after **July 1, 2010**, Medicaid will deny claims billed without the correct corresponding NDC number.

The NDC number on the CMS-1500 claim form must be entered in the manner described on page 1-26 in the *Medicaid Provider Reimbursement Handbook, CMS-1500 Claim Form*, for claim item number 24D. This will instruct you in how to enter the correct NDC information on the claim form. This handbook can be found at <http://mymedicaid-florida.com>. Click on "Public Information for Providers," "Provider Support," "Provider Handbooks," and "Provider Reimbursement – CMS-1500 Claim Form."

Should you have any questions about this change, please contact your local Medicaid area office for assistance. Thank you for the services you provide to Florida Medicaid recipients.

Sincerely,

Beth Kidder, Chief
Bureau of Medicaid Services

BK/om
Cc: Field Office Managers, Areas 1-11

