

Bulletin Number: MSA 21-32

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

Issued: August 25, 2021

Subject: Tribal 638 Facilities – Alternative Payment Methodology for Prescriptions

Effective: October 1, 2021

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. All drugs on the [Michigan Pharmaceutical Product List \(MPPL\)](#) and drugs with Medicaid prior authorization will be reimbursed the AIR. No drugs will be excluded from the AIR except for drugs on the Children's Special Health Care Services (CSHCS) drug list. All Tribal 638 facility pharmacies must have a mechanism to dispense all necessary medications, and if a medication is not available, pharmacies must coordinate and transfer the prescription to a local pharmacy that carries the drug to minimize any disruption to the beneficiary. All other existing Medicaid policies and coverage 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 Part B covered drugs). Medicare Part D covered drugs will be excluded from AIR reimbursement. (Refer to the Coordination of Benefits Chapter of the MDHHS [Medicaid Provider Manual](#) for information on Medicare Part D coverage.) 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 MDHHS [Medicaid Provider Manual](#) for information on appealing an adverse action.)

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments to Lida Momeni via e-mail at MomeniL@michigan.gov.

Please include “Tribal 638 Facilities – Alternative Payment Methodology for Prescriptions” in the subject line. Comments received will be considered for revisions to the change implemented by this bulletin.

Manual Maintenance

Providers should retain this bulletin until applicable information has been incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be e-mailed to Provider Inquiry, Department of Health and Human Services at ProviderSupport@michigan.gov. When you submit questions, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 1-800-292-2550. Atypical Providers may phone toll-free 1-800-979-4662.

An electronic version of this document is available at www.michigan.gov/medicaidproviders
>> Policy, Letters & Forms.

Approved



Kate Massey, Director
Medical Services Administration