

Health First Colorado Pharmaceutical Benefit Help Guide

(for members who do not have Health First Colorado, please see the respective plan webpage for coverage policies and other information)

1. Pharmaceutical Products / Drugs / Medications administered in the outpatient setting may be covered under the medical benefit, the pharmacy benefit, or both.
2. The setting where the medication is administered will determine the benefit under which it is covered. For medications administered in:
 - a. Inpatient hospital
 - i. Covered by the medical benefit and billed on an institution claim (UB-04)
 - ii. Reimbursed using the All-Patient Refined Diagnosis Related Group (APR-DRG) methodology
 - iii. Billing Manual: <https://www.colorado.gov/pacific/hcpf/ipop-billing-manual>
 - b. Outpatient hospital
 - i. Covered by the medical benefit and billed on an institution claim (UB-04)
 - ii. Reimbursed using the Enhanced Ambulatory Patient Grouping System (EAPG) methodology
 - iii. Billing Manual: <https://www.colorado.gov/pacific/hcpf/ipop-billing-manual>
 - iv. Some drugs may fall in the Outpatient Hospital Specialty Drug Carveout policy and require prior authorization approval prior to being administered and reimbursed.
 1. Additional policy information can be found in the IP and OP billing manual: <https://www.colorado.gov/pacific/hcpf/ipop-billing-manual>
 2. A current list of approved codes can be found on Appendix Z: <https://www.colorado.gov/hcpf/billing-manuals>
 - c. Doctor's office, clinic, etc.
 - i. Covered by the medical benefit and billed on a professional claim (CMS 1500)
 - ii. Reimbursed using the Physician Administered Drug (PAD) Fee Schedule
 - iii. Billing Manual: <https://www.colorado.gov/pacific/hcpf/pad-manual>
 - iv. PAD Fee Schedule: <https://www.colorado.gov/hcpf/provider-rates-fee-schedule>
 - d. Pharmacy (Vaccines or certain drugs as allowed per policy)
 - i. Covered by the medical benefit and billed on a professional claim (CMS 1500)
 - ii. Reimbursed using the PAD or the Immunization Fee Schedules
 - iii. Additional Information/Policy: <https://www.colorado.gov/pacific/hcpf/otc-immunizations>

- iv. Billing Manual: <https://www.colorado.gov/pacific/hcpf/pad-manual>
 - v. PAD and Immunization Fee Schedules:
<https://www.colorado.gov/hcpf/provider-rates-fee-schedule>
- e. Members' Home or Long-Term Care Facility (administered by a healthcare professional or self-administered)
 - i. Covered by the pharmacy benefit and billed in the Point of Sale (POS) system
 - ii. Reimbursed using Average Acquisition Cost (AAC), National Average Drug Acquisition Cost (NADAC), Submitted Ingredient, Usual and Customary, or Maximum Allowable Cost (MAC) methodologies
 - iii. Billing Manual: <https://www.colorado.gov/pacific/hcpf/pharmacy-billing-manual>
 - iv. Specific coverage information can be found on Appendix P and the Preferred Drug List (PDL):
<https://www.colorado.gov/pacific/hcpf/pharmacy-resources>
 - v. Pharmacy Rate List: <https://www.colorado.gov/hcpf/provider-rates-fee-schedule>
- 3. Policy Restrictions
 - i. Processes known as "white-bagging" and "brown-bagging", where a drug is billed to the pharmacy benefit and then administered in the hospital, clinic, office, or pharmacy are not permitted.
 - 1. "White-bagging" is defined as the distribution of patient-specific drug from a pharmacy to a medical provider's office, clinic or hospital for administration.
 - 2. "Brown-bagging" is when a pharmacy dispenses a medication directly to the member, who then transports the drug to the provider's office, clinic or hospital for administration.

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Setting or place of administration	Paid for by which benefit (medical or pharmacy)?	Reimbursement Methodology	Where to find more details
Drugs administered in the inpatient hospital setting	Medical benefit and billed on the UB-04	All-Patient Refined Diagnosis Related Group (APR-DRG)	Billing Manual: https://www.colorado.gov/pacific/hcpf/ipop-billing-manual
Drugs administered in an outpatient hospital setting	Medical benefit and billed on the UB-04	Enhanced Ambulatory Patient Grouping System (EAPG)	Billing Manual: https://www.colorado.gov/pacific/hcpf/ipop-billing-manual
Drugs administered in a doctor's office, clinic, or pharmacy	Medical benefit and billed on the CMS 1500	PAD Fee Schedule Rate	Billing Manual: https://www.colorado.gov/pacific/hcpf/pad-manual PAD and Immunization Fee Schedules: https://www.colorado.gov/hcpf/provider-rates-fee-schedule

<p>If the member resides:</p> <p>At home</p> <p>AND</p> <p>The drug is self-administered (or administered by a non-healthcare professional caregiver, such as a guardian or parent) at home</p> <p>OR</p> <p>The drug is administered by a healthcare professional or home health at the members' home</p>	<p>Pharmacy benefit and billed in the POS system</p>	<p>The lesser of:</p> <p>Average Acquisition Cost (AAC)</p> <p>OR</p> <p>National Average Drug Acquisition Cost (NADAC)</p> <p>OR</p> <p>Submitted Ingredient Cost</p> <p>OR</p> <p>Usual and Customary</p> <p>OR</p> <p>Maximum Allowable Cost (MAC)</p>	<p>Billing Manual: https://www.colorado.gov/pacific/hcpf/pharmacy-billing-manual</p> <p>Appendix P and the Preferred Drug List (PDL): https://www.colorado.gov/pacific/hcpf/pharmacy-resources</p> <p>Pharmacy Rate List: https://www.colorado.gov/hcpf/provider-rates-fee-schedule</p>
<p>If the member resides</p> <p>In a Long-Term Care Facility (LTCF) and medication is self-administered or administered at the LTCF by a healthcare professional</p>	<p>Pharmacy benefit and billed in the POS system</p>	<p>The lesser of:</p> <p>Average Acquisition Cost (AAC)</p> <p>OR</p> <p>National Average Drug Acquisition Cost (NADAC)</p> <p>OR</p>	<p>Billing Manual: https://www.colorado.gov/pacific/hcpf/pharmacy-billing-manual</p> <p>Appendix P and the Preferred Drug List (PDL): https://www.colorado.gov/pacific/hcpf/pharmacy-resources</p> <p>Pharmacy Rate List: https://www.colorado.gov/hcpf/provider-rates-fee-schedule</p>

		Submitted Ingredient Cost OR Usual and Customary OR Maximum Allowable Cost (MAC)	
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