

Long Acting Reversible Contraception

Long acting reversible contraception's (LARCs) are highly effective methods of contraception and have the highest continuation and satisfaction rates. LARCs can be used by most women, and increased use may reduce unintended pregnancy rates. Although a current Medicaid benefit hospitals and federally qualified health centers (FQHCs) do not receive separate compensation for LARC devices. Currently, hospitals are reimbursed as part of their typical maternity related reimbursement and FQHCs are reimbursed as part of their typical encounter reimbursement.

OPERATIONAL GUIDANCE

Effective January 1, 2016, HHSC will implement Medicaid benefit changes in an effort to increase access to and utilization of LARCs in Texas Medicaid. Medicaid managed care organizations (MCOs) must implement the necessary changes in order to reimburse hospitals and FQHCs appropriately for providing Medicaid covered LARC devices in the same amount, duration, and scope as the Medicaid benefit requires.

Hospital Reimbursement for Immediate Postpartum LARC

Effective January 1, 2016, hospitals may receive reimbursement for the following procedure codes in addition to the hospital diagnosis related group (DRG) payment when a LARC device is inserted immediately postpartum:

- J7300
- J7301
- J7302
- J7307

HHSC requires pharmacies of eligible entities participating in the 340B Drug Pricing Program to identify all outpatient pharmacy claims filled with 340B stock for 340B-eligible patients by submitting a value of "2Ø" (defined as "34ØB / Disproportionate Share Pricing/Public Health Service") in the "Submission Clarification Code" claims submission field (42Ø-DK). For 340B clinician-administered claims, providers must use modifier "U8." These requirements apply to submission of claims for LARC devices purchased through the 340B Drug Pricing Program in managed care. HHSC will propose rates for LARC device procedure codes billed with the U8 modifier at the November 2015 rate hearing.

Medicaid MCOs must adopt claim processing procedures to implement add-on hospital reimbursement for immediate postpartum LARC devices.

NOTE: For claims submitted to the Texas Medicaid and Healthcare Partnership (TMHP) for processing, hospital providers will be required to submit an outpatient claim with the appropriate procedure code for the LARC device in addition to the inpatient claim for the delivery services.

Federally Qualified Health Center (FQHC) Reimbursement for LARC

Effective January 1, 2016, FQHCs may receive reimbursement for the following procedure codes in addition to the FQHC encounter payment:

- J7300
- J7301
- J7302
- J7307

HHSC requires pharmacies of eligible entities participating in the 340B Drug Pricing Program to identify all outpatient pharmacy claims filled with 340B stock for 340B-eligible patients by submitting a value of “2Ø” (defined as “34ØB / Disproportionate Share Pricing/Public Health Service”) in the “Submission Clarification Code” claims submission field (42Ø-DK). For 340B clinician-administered claims, providers must use modifier “U8.” These requirements apply to submission of claims for LARC devices purchased through the 340B Drug Pricing Program in managed care. HHSC will propose rates for LARC device procedure codes billed with the U8 modifier at the November 2015 rate hearing.

Medicaid MCOs must adopt claim processing procedures to implement add-on FQHC reimbursement for LARC devices.

NOTE: For claims submitted to TMHP for processing, the FQHC provider will be required to submit a claim with the appropriate procedure codes for both the family planning services provided and for the LARC device, which will no longer be subject to FQHC limitations.

CONFERENCE CALL

HHSC will hold a conference call to discuss the upcoming LARC changes. MCOs are encouraged to send in questions by COB Tuesday October 20th to amanda.woodall@hhsc.state.tx.us.

Date: October 23, 2015
Time: 2:00 – 3:00 pm
Call-in: 1-877-226-9790
Access Code: 7171813

RESOURCES

ACOG LARC Program

- <http://www.acog.org/About-ACOG/ACOG-Departments/Long-Acting-Reversible-Contraception>

ASTHO LARC Learning Community

- <http://www.astho.org/Programs/Maternal-and-Child-Health/Long-Acting-Reversible-Contraception-LARC/>

Clinical Guidance on Implants and IUDs, Association of Reproductive Health Professionals

- <http://larc.arhp.org/evidence-based-guidance.aspx>

Long-Acting Reversible Contraception Products, Medicaid/CHIP Vendor Drug Program

- <http://www.txvendordrug.com/formulary/larc.shtml>

If you have questions regarding the LARC Medicaid benefit, please contact Kami Geoffray at Kami.Geoffray@hhsc.state.tx.us.

If you have questions regarding MCO implementation, please contact Amanda Woodall at Amanda.Woodall@hhsc.state.tx.us.