



To: IEHP Medi-Cal PCPs, Specialists and Medi-Cal IPAs
From: IEHP Provider Relations, IEHP Pharmaceutical Services
Date: June 3, 2022
Subject: **Medi-Cal Rx Billing Policy for Physician Administered Drugs (PADs)**

On March 18, 2022, the Department of Health Care Services (DHCS) released a reminder regarding **physician administered drugs (PADs)** – including chemotherapeutic agents, anti-rejection medications for organ transplants, and long-acting contraceptives.

Please see attached letter: Medi-Cal Rx Billing Policy for Physician Administered Drugs

Please follow the guidance in the table below for clarification on financial and prior auth for PADs:

Service/Procedure	Submit Prior Auth (PA) Request and Claim if *Delegated	Submit Prior Auth (PA) and Claim if IEHP Direct
Infusion Therapy		
All Professional and Administrative Services (Outpatient Facility)	IPA	IEHP
Pharmaceuticals – Drugs & Supplies (Outpatient Facility)	IEHP	IEHP
Infusion Therapy (In Home, except when performed by Home Health Provider)	IPA	IEHP
Medication		
Injectable Drugs (not including Diagnostic Services) infused at an outpatient facility and physician office (Physician Administered Drugs)	IEHP	IEHP
Non-Injectable Physician Administered	IEHP	IEHP

*For Members assigned to an IPA, please fax the referral request to the IEHP UM Department: (909) 890-5751

As a reminder, all communications sent by IEHP can also be found on our Provider portal at: www.iehp.org > Providers > Plan Updates > Correspondences

If you have any additional questions, please contact IEHP Provider Relations Team at 909-890-2054 or 866-223-4347, or email ProviderServices@iehp.org

Feel free to reach out to IEHP Pharmacy Team at 909-890-2049 between 8:00 AM - 5:00 PM Monday through Friday.



Medi-Cal Rx Billing Policy for Physician Administered Drugs

March 18, 2022

The Department of Health Care Services (DHCS) continues to receive reports of impeded access to physician administered drugs (PADs) – including chemotherapeutic agents, anti-rejection medications for organ transplants, and long-acting contraceptives – by providers who believe PADs are a pharmacy benefit and billable to Medi-Cal Rx. This bulletin clarifies how PADs should be billed under Medi-Cal Rx.

- PADs are typically non-self-administered medications dispensed by a health care professional outside of a pharmacy setting. PADs are **always** a medical benefit that should be submitted by the medical provider on a medical claim to either the fee-for-service (FFS) fiscal intermediary or a managed care plan (MCP) as applicable. MCPs or their contracted agents cannot reassign PAD claims across the board, either in full or in part, to be processed through Medi-Cal Rx.
- Depending on the medical necessity, there are few exceptions for a pharmacy provider to order, fill, and bill a non-self-administered drug and send it to an administering provider to dispense the drug appropriately. Most of these exceptions require a pharmacy prior authorization (PA) justifying the medical necessity as to why the medically administered drug needs to be billed as a pharmacy claim. The claim can only be billed through Medi-Cal Rx with an approved PA.
- PA approvals of PADs billed by pharmacy providers are not intended to replace PAD coverage as a medical benefit. PADs will always remain a medical benefit even when they are also available as a pharmacy benefit on a case-by-case basis.
- Medi-Cal beneficiaries should not be directed to go to a pharmacy to obtain PADs unless the individual case is a warranted exception as described above.