

## DEPARTMENT OF HEALTH CARE FINANCE

NOTICE OF FINAL RULEMAKING

The Director of the Department of Health Care Finance (DHCF or the Department), pursuant to the authority set forth in An Act to enable the District of Columbia (District) to receive federal financial assistance under Title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat.774; D.C. Official Code § 1-307.02 (2014 Repl. & 2016 Supp.)), and Section 6(6) of the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.05(6) (2012 Repl.)), hereby gives notice of the adoption of an amendment to Section 995 (Medicaid Physician and Specialty Services Rate Methodology) of Chapter 9 (Medicaid Program) of Title 29 (Public Welfare) of the District of Columbia Municipal Regulations (DCMR).

These rules amend Subsection 995.1, which authorizes physician-administered chemotherapy drugs to be reimbursed at one hundred percent (100%) of the Medicare reimbursement rate, effective for services delivered on or after May 1, 2016. These rules allow DHCF to: (1) maintain access to services for this very fragile population who are in need of chemotherapy drugs for treatment without compromising treatment efficacy or patient safety; and (2) ensure greater consistency and currency of the District's reimbursement model for chemotherapy drugs with other public and private payers.

These rules also amend Subsection 995.5, which will align updates of the physician and specialty rates with the requirements for Medicaid fee schedule updates, as set forth under Section 988 of Chapter 9 of Title 29 DCMR. This will enable DHCF to: (1) periodically and prospectively update the fee schedule for physician and specialty services while complying with advance notice requirements, rather than implementing annual updates on January 1; and (2) correspondingly update the reimbursement of physician-administered chemotherapy drugs periodically, rather than implementing updates on January 1.

The corresponding State Plan amendment (SPA) was deemed approved by the Council of the District of Columbia (Council) on March 18, 2016 (PR 21-0557) before submission to the U.S. Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS). The SPA was approved by CMS on June 27, 2016 to be effective for all physician-administered chemotherapy drugs reimbursed on or after May 1, 2016.

A Notice of Emergency and Proposed Rulemaking was published in the *D.C. Register* on April 15, 2016 at 63 DCR 005786. No comments were received and no substantive changes have been made. The Director adopted these rules as final on July 29, 2016 and they shall become effective on the date of publication of this rulemaking in the *D.C. Register*.

**Chapter 9, MEDICAID PROGRAM, of Title 29 DCMR, PUBLIC WELFARE, is amended as follows:**

**Subsection 995.1 of Section 995, MEDICAID PHYSICIAN AND SPECIALTY SERVICES RATE METHODOLOGY, is deleted in its entirety and amended to read as follows:**

995.1 Medicaid reimbursement rates for fee-for-service physician and specialist services shall be eighty percent (80%) of the rates paid by the Medicare Program as set forth in this section, except for physician-administered chemotherapy drugs administered on or after May 1, 2016. Medicaid reimbursement for chemotherapy drugs that are administered on or after May 1, 2016 shall be one hundred percent (100%) of the Medicare fee schedule. The reimbursement rates for physician administered chemotherapy drugs shall be posted on DHCF's website at [www.dc-medicaid.com](http://www.dc-medicaid.com) and updated annually.

**Subsection 995.5 is deleted in its entirety and amended to read as follows:**

995.5 All updates to the Medicaid fee schedule governing reimbursement rates for physician and specialty services shall comply with the requirements set forth under Section 988 (Medicaid Fee Schedule) of this chapter.