

# REGULATORY REVIEW CHECKLIST

To accompany Preliminary Determination Package

Agency Department of Medical Assistance Services

Regulation title Amount, Duration, and Scope of Services; Methods and Standards for Establishing Payment Rates-Other Types of Care

Purpose of the regulation Pharmacy Intravenous Infusion Therapies

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## Summary of items attached:

- Item 1:** An explanation of the specific reason for the proposed regulation.
- Item 2:** A statement identifying the source of the agency legal authority to promulgate the contemplated regulations and a statement as to whether the contemplated regulation is mandated by state law or federal law or regulation, and, if mandated in whole or in part, a succinct statement of the source (including legal citation) and scope of the mandate. **(Be sure to attach a copy of all cited legal provisions).**
- Item 3:** A statement setting forth the reasoning by which the agency has concluded that the contemplated regulation is essential to protect the health, safety or welfare of citizens or for the efficient and economical performance of an important governmental function.
- Item 4:** A statement describing the process by which the agency has considered, or will consider, less burdensome and less intrusive alternatives for achieving the essential purpose, the alternatives considered or to be considered (to the extent known), and the reasoning by which the agency has rejected any of the alternatives considered.

/s/ Dennis G. Smith  
Signature of Agency Head

6/25/99  
Date

VPS 6/29/99  
Date forwarded to  
DPB & Secretary

PRELIMINARY JUSTIFICATION FOR REGULATORY ACTION  
UNDER EXECUTIVE ORDER TWENTYFIVE (98)

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I. IDENTIFICATION INFORMATION

Regulation Name: Amount, Duration, and Scope of Services; Methods and Standards for Establishing Payment Rates-Other Types of Care

Issue Name: Pharmacy Intravenous Infusion Services

VR Numbers: 460-03-3.1100(12 VAC 30-50-210); 460-02-4.1920(12 VAC 30-80-40)

Registrar's Filing Deadline: \_\_\_\_\_

II. LEGAL AUTHORITY

Agency Legal Authority: Code of Virginia §§32.1-324 and 32.1-325; 42 U.S.C. §1396.

Director Approval of Action: /s/ Dennis G. Smith 6/25/99  
Dennis G. Smith Date

The Board of Medical Assistance Services unanimously approved this proposal.

III. JUSTIFICATION

1. Statement of Reason for Regulation

These two regulations (the Amount, Duration, and Scope of Services and the Methods and Standards for Establishing Payment Rates-Other Types of Care) are federally required to be in the State Plan for Medical Assistance. This proposed action to modify these existing regulations only provides a consistent payment methodology for all pharmacy intravenous infusion therapy services, provided in a fee-for-service program, regardless of the patient's place of residence (either at home or in a nursing facility). By simplifying their billing and documentation procedures, this consistent payment methodology will provide only administrative relief to pharmacists who are asked to render specialized and highly technical pharmacological services to patients who require medicinal and nutritional intravenous therapies. This change will make no difference in reimbursement amounts paid to pharmacists.

## 2. Federal/State Mandate and Scope

The legal authority of the Agency to administer the Medicaid Program is as stated above (II.). Although requirements for this initiative are not present in state or federal law, the proposed changes will provide for consistency in payment methodology and reduced burden on providers and the agency in documentation of multiple ingredients and the attendant manual adjudication process necessary in claims payment.

## 3. Essential Nature of Regulation

Provision of pharmacy services in the Medicaid program provides for treatment of patients needing medication, thereby providing for their health, safety, and well-being and for other citizens of the Commonwealth. The streamlined process provided will increase the efficient and economical performance of the program for both providers and the Commonwealth.

This initiative is anticipated to be budget-neutral.

## 4. Agency Consideration of Alternatives

The Agency is unaware of a less burdensome alternative. Continuing with the current policies would result in greater billing and documentation burdens for providers and this agency. This initiative should decrease the burden on providers of pharmacy services, as well as the claims adjudication of pharmacy claims for intravenous infusion services.

## 5. Family Impact Assessment (Code of Virginia §2.1-7.2)

There should be no negative impact on families with this change.