



State of Vermont
Agency of Human Services
280 State Drive, Center Building
Waterbury, VT 05671-1000

Global Commitment Register

January 24, 2023

GCR 22-002
FINAL

Reimbursement for High-Investment Carve-Out Drugs

Policy Summary:

The Vermont Medicaid program has changed the way it pays for high-cost inpatient drugs. Hospitals are required to bill separately for a list of specified inpatient drugs, which is known as the High-Investment Carve-Out Drug List. Prior authorization is required, and these drugs cannot be acquired through the 340B program. These inpatient drugs will be paid at the actual acquisition cost, and providers must submit an invoice documenting costs. The High-Investment Carve-Out Drug List is available on the [Drug Coverage Lists page of the Department of Vermont Health Access \(DVHA\) website](#).

This change is being made to ensure that providers are being paid their actual cost for the drug and to allow the State to take advantage of available federal rebates.

In addition to billing the High-Investment Carve-Out Drug on a HCFA-1500 with the invoice, the inpatient claim should be billed separately, excluding the high-cost drug. The inpatient claim will pay using the standard Diagnosis-Related Group (DRG) methodology. DVHA will conduct a post-payment review to ensure the high-cost drug was only billed on the HCFA-1500. In the event of duplicate billing, the inpatient payment will be recouped, and the billing entity will be instructed to re-bill appropriately.

This prior authorization and billing process change will be submitted to the Centers for Medicare and Medicaid Services (CMS) for review and approval as State Plan Amendment # 23-0011.

Effective Date:

January 1, 2023

Authority/Legal Basis:

[Medicaid State Plan](#)

The change to reimbursement for these drugs is being done through Global Commitment to Health waiver authority, where DVHA may establish rates with providers on an individual or class basis without regard to the rates currently set forth in the approved State Plan.

[Global Commitment to Health Waiver](#): Waiver authority #5 [Section 1902(a)(13), 1902(a)(30)]; Special Term and Condition #6.8.

Population Affected:

All Medicaid

Fiscal Impact:

This change is expected to be budget neutral.

Public Comment Period:

The public comment period ended on December 30, 2022. No comments were received.

To be added to the GCR email list, send an email to AHS.MedicaidPolicy@vermont.gov.

Additional Information:

The draft SPA provides additional details on the proposed changes; copies of the draft SPA can be requested from local Department for Children and Families (DCF) offices or from the Department of Vermont Health Access (DVHA) at (802) 355-8843, or can be found on the [Agency of Human Services website](#).