

HEALTH AND HUMAN SERVICES COMMISSION

Public Notice: Value-Based Agreements for home health supplies, equipment, and appliances through the Pharmacy Benefit

The Texas Health and Human Services Commission (HHSC) announces its intent to submit transmittal number 22-0007 to the Texas State Plan for Medical Assistance, under Title XIX of the Social Security Act.

The purpose of this amendment is to allow certain home health supplies, equipment and appliances to be added to the pharmacy formulary. If the item is available in Texas Medicaid as a medical benefit, pharmacies will be reimbursed the same rates other providers are paid as listed in the Texas Medicaid fee schedule for medical benefits.

Some home health supplies, equipment, and appliances are only available through the pharmacy benefit with a prescription. This means the product will never be assigned a HCPCS code and will not have a reimbursement rate listed in the fee schedule for medical benefits. The amendment would apply the existing pharmacy reimbursement methodology listed in the Texas State Plan to home health supplies, equipment, and appliances covered under the pharmacy benefit when there is no corresponding rate under the medical benefit. This allows Texas to consider coverage of these products, improving access to care.

The amendment also incorporates language authorizing the state to negotiate supplemental and value-based purchasing arrangements with manufacturers of these products improving cost-effectiveness with the goal of improving health outcomes for Medicaid beneficiaries. The requested effective date for the proposed amendment is October 1, 2022.

The proposed amendment is estimated to have no fiscal impact. The amendment shifts utilization of current benefits from medical to pharmacy. Additionally, the amendment allows Texas to negotiate supplemental rebate agreements and value-based rebate agreements. Both rebate agreements generate revenue and do not increase federal expenses.

To obtain copies of the proposed amendment, interested parties may contact Shae James, State Plan Coordinator, by mail at the Health and Human Services Commission, PO Box 13247, Mail Code H-600, Austin, Texas 78711; by telephone at (512) 438-2264; by facsimile at (512) 730-7472; or by email at Medicaid_Chip_SPA_Inquiries@hhsc.state.tx.us. Copies of the proposal will also be made available for public review at the local offices of the Texas Health and Human Services Commission.