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# Insights

## Indiana Proposes New Rule Impacting Pharmacy Reimbursement

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The Indiana Family and Social Services Administration ("FSSA") published a proposed rule that affects Medicaid reimbursement for legend and non-legend drugs. A public hearing about this rule is schedule for January 31, 2019 at 10:00am EST, and the FSSA is accepting public comments through that date.

The most significant changes affect coverage of non-legend drugs, namely, that all Medicaid programs (fee-for-service and managed care) will only cover non-legend drugs on the over-the-counter formulary, and at a rate that is the lowest of the "state over-the-counter maximum allowable cost plus a professional dispensing fee" or the provider's usual and customary charge, which term is defined in existing Medicaid rules. With respect to legend and non-legend drugs, FSSA proposes to reduce the professional dispensing fee to $10.48, and deletes "Health Maintenance Organization pharmacy services" from the list of services exempt from the copayment requirement. The proposed rule includes two program integrity measures: 1) prohibiting split billing of legend and non-legend drugs to capture more dispensing fees; and 2) prohibiting a provider from "circumventing prior authorization criteria." The proposed rule does not define that term or specify whether the prohibition requires intent to violate such criteria.

Such changes may seem minor but can have a substantial business impact. Please contact Brandon W. Shirley at bshirley@kdlegal.com or Stephanie T. Eckerle at seckerle@kdlegal.com if you wish to submit a public comment or need assistance complying with applicable regulatory requirements.