
PROVIDER UPDATE No. 8

DATE: June 1, 2011

TO: Providers

FROM: CalOptima Provider Network Management

SUBJECT: Clarification of Physician Administration Fee

The Department of Health Care Services (DHCS), recently issued in its -May 2011 Medi-Cal Provider Bulletin 443, General Medicine section clarified the physician administration fee and reimbursement methodology for physician administered drugs.

Reimbursement is determined by the cost of the injection, plus the physician- administration fee. The price listed on the Medi-Cal rates page of the Medi-Cal website for each physician-administered drug (conversion indicator of 030) includes the one-time administration fee of \$4.46. Since the administration fee is paid only once for each drug administered, subsequent units must have the administration fee subtracted from the published rate, the following table explains the process:

DHCS Clarified Method	
J0886 - EPOETIN ALFA 1000 UNITS ESRD	
The price in the Medi-Cal rate table is \$18.88 which includes the administration fee of \$4.46.	
If a provider administered this drug one time with multiple units (total of 3 units) the reimbursement of this drug should be as follows:	
First unit:	$\$14.42 + \$4.46 = \$18.88$
Second unit:	$\$18.88 - \$4.46 = \$14.42$
Third unit:	$\$18.88 - \$4.46 = \$14.42$
Total reimbursement	$= \$47.72$

Effective for dates of service July 1, 2011, and after, CalOptima will adopt the DHCS clarified method for reimbursement and payment of CalOptima claims.

If you have any questions regarding this information, please contact the CalOptima Claims Department at 714-246-8885.

Thank You!