

**Bulletin Number:** MSA 05-53

**Distribution:** Hospital Long Term Care Units (Provider Type 62)

**Issued:** November 1, 2005

**Subject:** Elimination of Pharmacy Revenue Code 0250

**Effective:** January 1, 2006

**Programs Affected:** Medicaid

## Background

When Congress passed the Medicare Prescription Drug Benefit (Medicare Part D), it included major changes for beneficiaries enrolled in both Medicaid and Medicare. Called dual eligibles, these beneficiaries will receive most of their prescriptions from a Medicare Part D plan, not Medicaid, for dates of service on and after January 1, 2006. This is a federal change that state Medicaid agencies must follow.

Although prescription drugs for dual eligibles will be provided by Medicare Part D plans, states are mandated to pay a portion of the dual eligibles' prescription drug costs to the Federal government through the Phased-Down State Contribution. Each month, starting January 1, 2006, states must make per capita payments to the federal government based on the number of its dual eligibles enrolled in Medicare Part D.

## Impact on Medicaid Enrolled Hospital Long Term Care Units (Provider Type 62)

Effective for dates of service on and after January 1, 2006, hospital long term care units cannot use Revenue Code 0250 to bill prescription drugs for dual eligibles or Medicaid-only beneficiaries. Rather, the hospital long term care unit must enroll as a pharmacy (Provider Type 50) or have a Medicaid-enrolled pharmacy bill Medicaid.

The Phased-Down State Contribution could cause double pharmacy payments for dual eligibles in hospital long term care units – payment under the pharmacy revenue code and again under the per capita payment. To prevent duplicate payments, use of Revenue Code 0250 by hospital long term care units will be eliminated.

To enroll as a pharmacy, the facility may contact First Health Services Corporation at 1-804-965-7729. The Pharmacy Provider Enrollment and Trading Partner Agreement (MSA-1626) is available online at [www.michigan.fhsc.com](http://www.michigan.fhsc.com).

## Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

**Questions**

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

**Approved**

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive style with a large, prominent initial "P".

Paul Reinhart, Director  
Medical Services Administration