# Payment Policy | Drugs and Biologicals



**EFFECTIVE DATE:** 07 | 12 | 2017

**POLICY LAST UPDATED:** 10 | 18 | 2023

### **OVERVIEW**

This is a payment policy for various drugs and biologicals that are covered under the member's medical coverage. It also documents the process for review of newly approved FDA drugs.

### **MEDICAL CRITERIA**

Not applicable

# **PRIOR AUTHORIZATION**

Not applicable

#### **POLICY STATEMENT**

Blue Cross & Blue Shield of Rhode Island (BCBSRI) has payment policies for various drugs and biologicals that are covered under the member's medical coverage. This will ensure that claims are paid in accordance with industry standard coding practices, generally accepted clinical guidelines and in a consistent manner across the network. These edits do not take the place of prior authorization when that is required. They are applied to claims in order to screen for coding errors and dosage that exceeds generally accepted limits. Claims denials are subject to utilization review processes if the denial reason is one of medical necessity (e.g. diagnosis or unusual dosage). If there is no specific policy for an agent Blue Cross & Blue Shield of Rhode Island will rely upon the sources such as but not limited to:

- Manufacturer's prescribing information (FDA approved label)
- Elsevier Gold Standard's Clinical Pharmacology
- National Comprehensive Cancer Network (NCCN) Drugs & Biologics Compendium
- Local Coverage Determinations (LCD's)

These policies will address diagnostic indications, the appropriate dose and the appropriate frequency of administration as well as other industry standard guidelines.

All drugs must be filed with an administration code and National Drug Code (NDC).

All claim submissions remain subject to Blue Cross & Blue Shield of Rhode Island prior authorization requirements

### Newly FDA approved Drugs

For medications that are administered by physicians and covered under the medical benefit, reimbursement may be based on the lowest cost drug among clinically comparable drugs within a therapeutic class. Expert knowledge used in the development and execution of this policy is derived from the same sources as used by the BCBSRI Pharmacy and Therapeutics committee.

For medications that are administered by physicians and covered under the medical benefit there may be drugs that are therapeutically similar but are more cost effective. BCBSRI reserves the right to limit coverage based on those considerations.

### **COVERAGE**

Benefits may vary between groups and contracts. Please refer to the appropriate Benefit Booklet, Evidence of Coverage or Subscriber Agreement for applicable drug benefits/coverage.

Prescription drugs, that can be self-administered and do not have an FDA approved recommendation to be supervised by a licensed healthcare provider are not covered as a medical benefit but may be covered as a pharmacy benefit.

#### **CODING**

Not applicable

### **RELATED POLICIES**

Not applicable

# **PUBLISHED**

Provider Update, December 2023 Provider Update, April 2020 Provider Update, December 2019 Provider Update, June 2017 Provider Update, September 2012

#### **REFERENCES:**

Not applicable

# ---- CLICK THE ENVELOPE ICON BELOW TO SUBMIT COMMENTS

This medical policy is made available to you for informational purposes only. It is not a guarantee of payment or a substitute for your medical judgment in the treatment of your patients. Benefits and eligibility are determined by the member's subscriber agreement or member certificate and/or the employer agreement, and those documents will supersede the provisions of this medical policy. For information on member-specific benefits, call the provider call center. If you provide services to a member which are determined to not be medically necessary (or in some cases medically necessary services which are non-covered benefits), you may not charge the member for the services unless you have informed the member and they have agreed in writing in advance to continue with the treatment at their own expense. Please refer to your participation agreement(s) for the applicable provisions. This policy is current at the time of publication; however, medical practices, technology, and knowledge are constantly changing. BCBSRI reserves the right to review and revise this policy for any reason and at any time, with or without notice. Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

