# Billing MassHealth for Naloxone Dispensed in Clinical Settings— a Technical Assistance Guide

**Natalija Farrell PharmD, BCPS, DABAT, FAACT**
**Boston Medical Center, Senior Patient Safety Specialist**

The purpose of this guide is to provide information on how to bill MassHealth for naloxone that is dispensed in clinical settings.

There are three models a healthcare institution can use to bill MassHealth for naloxone dispensed to patients:

- **Model 1: In an Emergency Department (ED) with a hospital pharmacy.**
- **Model 2: In an ambulatory site with a collocated outpatient or retail pharmacy**
- **Model 3: In an ambulatory site without a collocated outpatient or retail pharmacy**

---

## Model 1: An Emergency Department (ED) with a hospital pharmacy using MassHealth codes

**Use case:** An ED with a hospital pharmacy

### Background:

- MassHealth will reimburse for the distribution of nasal naloxone to MassHealth members at the rate of $125 per nasal naloxone kit
    - EDs that sit in 340B pharmacy eligible sites, if registered for the program, can apply for 340B pricing when dispensing naloxone to patients being discharged from the ED.
- MassHealth will identify nasal naloxone packages distributed in the ED through a combination of HCPCS code, modifier, and Revenue Code on a single claim line (see MassHealth bulletin):
    - HCPCS code: J3490
    - Revenue code: 636
    - Modifier: HG at $125/kit

### Day-to-day operations:

- ED provider orders naloxone take home kit via inpatient (not outpatient) prescribing
- ED should work with the pharmacy on developing a patient-specific naloxone label that meets Board of Pharmacy requirements
    - Examples include pharmacist preparation and ED clinical staff completing the blank sections of the patient specific label template
- See the MassHealth bulletin for codes

### Preparation:

- Partner with IT and finance to develop a special drug identifier code (e.g. ERx) for naloxone take home kits. This code includes the billable information: (see MassHealth bulletin)
    - HCPCS code: J3490
    - Revenue code: 636
    - Modifier: HG at $125/kit
    - Unique identifier drug codes are a good way to differentiate between naloxone administrations for opioid overdose reversal in the ED and ED-dispensed naloxone take-home kits. This is preferred to avoid double billing for ED naloxone stock.
    - The claim line that indicates take home distribution need not be on a separate claim and can be included on the claim submitted for the ED visit that included distribution of the naloxone package.
- Consider initial acquisition costs of naloxone stock
- Ensure that MassHealth reimbursement was captured for all ED patients who were discharged with a naloxone take home kit. Testing the process for the first few patients can assist with quality assurance prior to a formal program roll out

## Model 2: An ambulatory site with a collocated outpatient or retail pharmacy

**Use case:** Site licensed as ambulatory/outpatient with a collocated outpatient or retail pharmacy who want to dispense naloxone and bill MassHealth prescription insurance later on the same day of service. Examples are ambulatory care clinics, or a bridge clinic licensed as an ambulatory clinic in an acute care hospital with an outpatient pharmacy.

### Infrastructure needed

- An outpatient or retail pharmacy on site
- If 340B pharmacy, should take advantage of lower pricing.

### Day-to-day operations

- Pharmacy prepares 10 naloxone kits with a Board of Pharmacy compliant label
    - "Naloxone Rescue Kit" should be used in place of the name and address in order to create a patient profile and prescription label.
    - Ten kits is suggested. Number may change based on actual volume
    - Care team member picks up naloxone kits from pharmacy and secures them in the clinical space for dispensing to patients
- Clinical site—dispensing:
    - When dispensing, the care team member documents dispensing of naloxone in the patient's EMR, updates the patient's medication list and alerts the patient that their insurance will be billed for naloxone for that day
    - Care team member assures Board of Pharmacy compliant label is affixed to the kit before dispensing
- Clinical site—record-keeping:

    - When dispensing, a trained, designated staff member supervised by the Medical Director will maintain a naloxone dispensing log capturing the following information:
        - Number of kits dispensed
            - One naloxone 4mg kit (2 naloxone 4 mg sprays/kit) per patient is the typical insurance limit
        - Patient information:
            - First and last name
            - MRN
            - Date of birth
    - Return completed naloxone dispensing log to the pharmacy contact at the end of each business day, which helps with regulatory compliance. The intent is to have the insurance billed the same day that the naloxone is dispensed
- Pharmacy
    - Upon receipt of the naloxone dispensing log, if needed, pharmacy staff will create a patient profile in the pharmacy dispensing system
    - Pharmacy will use the state-wide standing order to generate a prescription
    - Pharmacy will confirm the patient's insurance on file is active, process the prescription in their system to capture insurance reimbursement
    - Dispensed kits not covered by health insurance will be charged to the designated clinic cost center
    - Replenishment: Prepare additional naloxone kits for pick up by clinic staff

### Preparation

- Engage pharmacy and if needed, pharmacy IT, to determine:
    - Required format type for the naloxone distribution log
    - Board of Pharmacy compliant label
    - How frequently and to whom the naloxone distribution log should be submitted
    - When/how pharmacy receives payment
    - Determine AU to be charged for the naloxone
    - Establish pathway for reimbursement in the event that naloxone not covered by insurance

## Model 3: An ambulatory site without a collocated outpatient or retail pharmacy

**Use case:** Site licensed as ambulatory/outpatient without an outpatient pharmacy who wants to dispense naloxone and bill MassHealth later on the same day of service. An ambulatory clinic at a hospital without an outpatient pharmacy is an example of an appropriate site

### Day-to-day operations

- Clinic partners with local pharmacy
- Clinic pays for medication in advance
- After billing insurance, the pharmacy will apply the reimbursement to the next order of naloxone

- All other processes are the same as an ambulatory program with a collocated pharmacy (see Model 2)

---

## Potential challenges to retrospective same day billing models:

- Naloxone storage—need to keep a log, daily inventory and expiration checks.
- Constant communication/partnership needed between provider team and pharmacy team
- For organizations where the pharmacy and program are co-located, 340b reimbursements are not being directly returned to pharmacy budget, so there may appear to be a deficit