TO: MassHealth Accountable Care Partnership Plans and Managed Care Organizations
FROM: Amanda Cassel Kraft, Acting Medicaid Director
RE: New Payment Methodology Requirements for Accountable Care Partnership Plans and Managed Care Organizations for Nasal Naloxone Packages Distributed by Acute Outpatient Hospital Emergency Departments

Summary
In accordance with Chapter 41 of the Acts of 2019 (FY20 Budget), line item 4512-0206, MassHealth has made changes to the configuration of its payment system in order to ensure that Acute Outpatient Hospitals (AOH) are paid for the distribution of nasal naloxone by their emergency departments (EDs). See AOH Bulletin 35. This Managed Care Entity bulletin contains MassHealth requirements that Accountable Care Partnership Plans (ACPPs) and Managed Care Organizations (MCOs) adopt the same or similar methodologies to pay for the distribution of nasal naloxone packages by AOH EDs.

This new payment methodology is intended to encourage the appropriate distribution of nasal naloxone packages by AOHs through their EDs, and to enable MassHealth, ACPPs, and MCOs to identify patterns of distribution of those packages.

Description, Applicable Codes, and Billing System Requirements
A single nasal naloxone package consists of two nasal spray inhalers, with each inhaler containing 4 mg of naloxone.

For dates of service beginning April 1, 2020, ACPPs and MCOs must require all of the following on a claim line to identify that a nasal naloxone package was distributed to a member in an AOH ED or must submit an alternative billing configuration to MassHealth for approval.

- HCPCS code: J3490
- Revenue codes: 636
- Modifier HG

MassHealth’s preference is for the plans to implement billing requirements that are consistent with the methodology described above, which is consistent with the methodology that MassHealth is utilizing.

Because such distribution would typically be part of an ED visit, the claim line for distribution of the nasal naloxone package can be included on the claim submitted for the ED visit. ACPPs and MCOs must pay for more than one nasal naloxone package distributed to a MassHealth member during a single ED visit if the member’s treating practitioner determines that it is clinically appropriate and medically necessary.
ACPPs and MCOs are not required to pay hospitals for distribution of a nasal naloxone package as a Hospital-Based Physician service.

This policy does not apply to ACPP and MCO payment for the dispensing of nasal naloxone packages through the pharmacy benefit.

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**Questions**

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