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### **MCG message**

**To:** All Blue Cross Complete providers

**Date:** May 3, 2024

**Subject:** MDHHS updates policy on drugs and therapeutics carved out of hospital Diagnosis Related Group payment

Today, the Michigan Department of Health and Human Services issued Bulletin [MMP 24-12](#), indicating effective for dates of service on or after Oct. 1, 2023, separate reimbursement will be available for certain drugs and therapeutics that are medically necessary in the inpatient hospital setting.

The MDHHS enters outcomes-based contract arrangements with manufacturers of certain high-cost drugs and therapeutics. Under these arrangements, some high-cost drugs and therapeutics may be carved out of the Diagnosis Related Group for various reasons, including to contain costs. Drugs and therapeutics that are carved out of the DRG will be published and maintained on the MDHHS Inpatient Hospital website at [michigan.gov/medicaidproviders](http://michigan.gov/medicaidproviders)\*

Claims for drugs and therapeutics that are carved out of DRG will be paid through the Fee-for-Service benefit for members in managed care and FFS. Members will have no copayment responsibility for drugs and therapeutics when administered in the inpatient hospital setting.

The rates for drug and therapeutic product reimbursement are outlined in the Michigan Medicaid State Plan. These drugs and therapeutics may be covered as either professional claims or pharmacy claims. Prior authorization may be required. For full details on drugs and therapeutics carved out of hospital DRG payment, including PA requirements and claims, please review Bulletin [MMP 24-12](#).

For all other questions, please contact your Blue Cross Complete provider account executive or Blue Cross Complete Provider Inquiry at **1-888-213-5713**.

*\*Our website is [mibluecrosscomplete.com](http://mibluecrosscomplete.com). While website addresses for other organizations are provided for reference, Blue Cross Complete doesn't control these sites and isn't responsible for their content.*