

# Reimbursement Methodology to Change for Long-Acting Reversible Contraception (LARC) Devices Effective January 1, 2016

Information posted December 31, 2016

**Note:** The Health and Human Services Commission (HHSC) has requested that TMHP publish the following information.

**Note:** This article applies only to claims submitted to TMHP for processing. Refer to the Medicaid managed care organizations (MCOs) for information about MCO benefits, limitations, prior authorization, reimbursement, and MCO specific claim processing procedures.

Effective for dates of service on or after January 1, 2016, some providers may receive additional reimbursement for long-acting reversible contraception (LARC) devices.

## Hospital Reimbursement for Immediate Postpartum LARC

Effective January 1, 2016, hospitals may receive reimbursement for the following procedure codes in addition to the hospital diagnosis related group (DRG) payment when a LARC device is inserted immediately postpartum:

Procedure codes				
J7297	J7298	J7300	J7301	J7307

“Immediately postpartum” refers to insertion within 10 to 15 minutes of placental delivery, after vaginal or cesarean delivery, for intrauterine devices (IUDs) or insertion prior to discharge for implantable contraceptive capsules.

When seeking reimbursement for an IUD or implantable contraceptive capsule inserted immediately postpartum, hospital/facility providers must submit an outpatient claim with the appropriate procedure code for the contraceptive device in addition to the inpatient claim for the delivery services.

## Federally Qualified Health Center (FQHC) Reimbursement for LARC

Effective January 1, 2016, FQHCs may receive reimbursement for the following procedure codes in addition to the FQHC encounter payment:

Procedure codes				
J7297	J7298	J7300	J7301	J7307

When seeking reimbursement for an IUD or implantable contraceptive capsule, providers must submit on the same claim the procedure code for the family planning service provided and the procedure code for the contraceptive device. The contraceptive device is not subject to FQHC limitations. 340B Providers Must Use Modifier U8 When Submitting Claims for 340B Clinician-administered Drugs

As outlined in the article titled, [“340B Providers Must Use Modifier U8 When Submitting Claims for 340B Clinician-administered Drugs,”](#) which was published on July 16, 2015, on this website, all eligible organizations and covered entities that are enrolled in the federal 340B Drug Pricing Program to purchase 340B discounted drugs must use

modifier U8 when submitting claims for 340B clinician-administered drugs, including LARC devices.

Proposed reimbursement rate changes for LARC devices provided by an entity eligible for 340B pricing and using modifier U8 were presented at a public rate hearing on November 12, 2015. Except for some changes based on public comments, the new rates are effective for dates of services on or after January 1, 2016.

### **2016 HCPCS LARC Procedure Code Changes**

Effective January 1, 2016, Texas Medicaid benefit changes related to LARC will be applied to support the 2016 annual Healthcare Common Procedure Coding System (HCPCS) updates that will be effective for dates of service on or after January 1, 2016. The added 2016 HCPCS procedure codes, J7297 and J7298, may be billed beginning January 1, 2016.

Procedure code J7302 will be discontinued and will no longer be reimbursed after December 31, 2015.

Procedure codes J7297 and J7298 will not require a rate hearing for pricing. Proposed reimbursement rate changes for LARC devices were presented at a public rate hearing on November 12, 2015, for procedure codes J7302 and J7302 with modifier U1. Procedure codes J7297 and J7298 will replace procedure codes J7302 and J7302 with modifier U1. The new rates will be effective for dates of services on or after January 1, 2016.

For additional information, providers can refer to the article titled "[Reimbursement Rate Changes and Updates for Some Procedure Codes to Become Effective January 1, 2016, for Texas Medicaid](#)," which was published on this website on December 31, 2015.

**Note:** *Additional information related to HCPCS 2016 updates will be published in a special bulletin in January 2016.*

For more information, call the TMHP Contact Center at 1-800-925-9126.