# Payment for Services (AB 317)
# CA Board of Pharmacy
# Licensing Committee Meeting

10/17/2024

WebEx

# Disclaimer

The intent of meeting is to list and briefly describe expectations and/or requirements that will need to be met by pharmacists, other providers, and other stakeholders in order to operationalize, within their organizations, the reimbursement of pharmacist-provided services that are covered under a patient's medical benefit (i.e. medical services), e.g. provider contracts executed, billing systems requirements, etc.

Services covered under a patient's pharmacy-drug benefit are not impacted.

# Dr. Steve Chen

**Dr. Steven W. Chen is the Associate Dean for Clinical Affairs at the USC Mann School of Pharmacy, a Professor of Clinical Pharmacy, and the William A. Heeres and Josephine A. Heeres Chair in Community Pharmacy.**
**He also serves as the Director of the USC Titus Center for Medication Safety and Population Health, focusing on advancing health equity for vulnerable populations through high-quality, evidence-driven clinical practice, research, service delivery, stakeholder education, and policy advocacy.**
**Recently named the 2024 Pharmacist of the Year at CPhA, Dr. Chen has played a pivotal role in leading the AB317 Implementation Committee, collaborating with various health plans and practicing pharmacists to enhance the profession's standards and practices.**

# Dr. Kevin Komoto

**As the incoming president-elect of the California Pharmacists Association (CPhA), Dr. Kevin Komoto is a dedicated leader and the Chief Operations Officer of Komoto Healthcare. He initiated a PGY1 residency program in partnership with the University of the Pacific, which launched in 2024. Dr. Komoto, a second-generation pharmacist, continues the legacy of his father, Brian Komoto, PharmD. Komoto Healthcare comprises five companies, including Komoto Pharmacy and the Komoto Family Foundation, all focused on improving patient care and access. The organization is committed to making a meaningful, lasting, and positive impact on patients' lives.**

# Presentation Outline

- Background
- FAQs
- Next Steps

# Background

AB 317, Weber. Pharmacist service coverage:

Requires a health care service plan and certain disability insurers that offer coverage for a service that is within the **scope of practice** of a duly licensed pharmacist to pay or **reimburse the cost of services** performed by a pharmacist at an **in-network pharmacy** or by a pharmacist at an **out-of-network pharmacy** if the health care service plan or insurer has an out-of-network pharmacy benefit.

# Implementation Challenges

- Other states
  - Credentialing
  - Patient referral management
  - Medical billing
- Calif HP Focus Group (Dec 2023): Inconsistencies in understanding of the bill (many “what ifs”)
- WA ESSB 5557: Signed into law 2015

# Implementation Workgroup

- Intent: Provide guidance to ensure that pharmacists will be regarded as any other provider, in accordance with AB317, as it relates to health plan billing, processing, and payment of claims for medical services that are provided.
- Workgroup was not officially charged by any government office
- Through CPhA, CA Association of Health Plans (CAHP) engaged member HPs
- Stakeholders represented:
  - CPhA
  - Pharmacists
  - CAHP
  - Health plans
  - Primary care medicine
  - Health system leadership
  - CA Right Meds Collaborative (USC Mann)

# Implementation Workgroup Deliverables

1. Definitions and FAQs
2. Health Plan Implementation Recommendations
3. Pharmacist and Other Provider Expectations
4. Infosheet with FAQs for the public (pending)

# AB317 Definitions and FAQs

- ***Legislation explanation***

  Purpose and Application (Excludes Medicare and Employee Retirement Income Security Act (ERISA) plans)

- ***What is a pharmacist's scope of practice in California State?***

  Refer to Article 3: Scope of Practice and Exemptions, California Lawbook for Pharmacy (https://www.pharmacy.ca.gov/laws_regs/lawbook.pdf)

- ***Does payment under AB317 prohibit health plans from paying for medical services provided outside of an outpatient pharmacy?***

  The law neither specifies or prohibits payment for such services provided by pharmacists in other settings such as medical clinics or hospital-based clinics

***Does this legislation apply to services that are covered under a patient's medical benefit and pharmacy-drug benefit?***

- Mostly medical benefit coverage *(requires medical billing which maps payments to cost centers, checks eligibility and clarifies copayment; for services that are covered under a patient's pharmacy-drug benefit, billing and reimbursement policies and procedures will not be impacted)*
- If a **pharmacy drug benefit** AND an **AB317 eligible service** are being provided at a single encounter, in most cases **only the AB317 eligible service will be billed** since many services covered under AB317 would appropriately include services covered under a pharmacy drug benefit, e.g., administration of an injectable product during a comprehensive medication management visit.
- Plans may choose to offer hybrid billing approach, i.e., some services paid through the PBM and others paid through standard medical billing procedures.

# What are Credentialing and Privileging and how do they apply?

- Certifications and credentialing requirements for pharmacists to be eligible for medical billing **are at the discretion of individual health plans**.

- Credentials include, but may not be limited to, Academics/Examination, Licensure, Internships/Residencies, Experience, Certifications, and Advanced Training that demonstrate qualification to provide a set of services.

# Definitions: Credentialing and Privileging

| Term | Definition | Authorized By: | | |
|---|---|---|---|---|
| | | State Legislature / Board of Pharm. | Health Plan | Health System |
| Scope of Practice | Boundaries within which a health professional may practice- *What am I LEGALLY PERMITTED to do* | ✓ | | |
| Credentialing | A process for confirming qualifications of an individual in a given subject or practice area- *What am I QUALIFIED to do?* | | ✓ | ✓ |
| Privileging | Authorization granted by a specific facility or institution for a specific person to provide specific services or professional rights- *What am I ALLOWED to do HERE?* | | | ✓ |

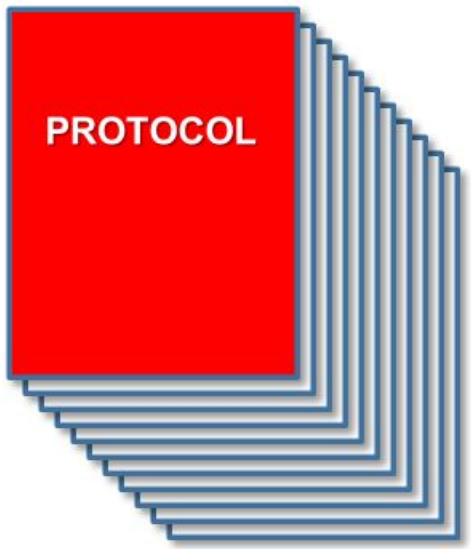
## Is certification or Advanced Practice Pharmacist Licensure required for credentialing?

- At the discretion of individual health plans
- Most do not believe this is required for most episodic clinical services (e.g., PrEP and PEP)

## Are Pharmacists primary care or specialty care providers?

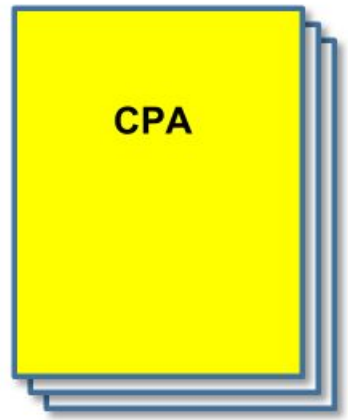
- For each of their benefit plans, the health plan (in alignment with CMS and/or national mandates, e.g. ACA) will determine if a type of provider is to be designated as a primary care provider or a specialty care provider.
- “Specialty” may include but is not limited to cancer, cardiology, transplant
- Has copay implications

# What is a Collaborative Practice Agreement?




- Goals
- Roles and responsibilities
- Supervision and staffing
- Enrollment and DC criteria
- Step-by-step decisions
- Condition or medication-specific


- Some protocol specificity
- + grant broad CPA permissions




- Permitted activities
- Not condition nor medication-specific
- May refer to guidelines / practice standards

## What are the different places of service in which a Pharmacist may practice?

- Private spaces that are appropriate for patient care
- A pharmacist from a community pharmacy can also provide clinical services in a provider office, medical clinic, or hospital clinic which maximizes communication, facilitates consultations, and allows for full EHR access, all of which support optimal patient health outcomes.
- Whether such services can be billed under AB317 depends on the financial arrangements between each patient's health plan and the provider site.
- Pharmacists must be certain that services rendered to patients are billable under AB317 prior to rendering and billing; if in doubt, **pharmacists should contact health plans for clarification.**

## Is a diagnosis required to bill for services?

- In accordance with industry practice standards, diagnosis must be documented in the patient's record along with the need for treatment. In addition, a valid ICD10 coded diagnosis must be submitted on the claim form.
- If the reason for the services **IS NOT** related to illness or injury, such as preventative care services, the appropriate ICD10 Z-series diagnosis codes can be selected by the pharmacist and used on the claim form.

# What CPT/HCPCS Codes do pharmacists anticipate billing?

- Likely E&M; possibly MTM, lab tests, telemedicine, etc.
- Reimbursement processes for medical services will be consistent with those in place for all other providers. **Health plans will offer no instruction in how coding should be done or which codes should be used.** Health plan systems will accept and adjudicate all valid codes in accordance with the patient's benefits.
- Specific **Medi-Cal** services **covered under AB1114** will continue to be managed according to established policies and procedures.
- Services covered under the patient's **pharmacy benefit**--drug benefit will continue to be billed and reimbursed per the terms of the health plan contract.

## Will contracting be required for all AB317 services?

- Varies by health plan, must confirm with each
- Contract frames, defines, and governs the relationship between a health care professional and a health plan. Contracting affects payment, internal department processes, confidential records, clinical decision- making.
- While health plans cannot guarantee that any specific licensed pharmacist will be included in their network, the workgroup shares the aspiration of creating a pharmacist network that meets the needs of the patients and providers.

## Other clarifications / expectations

- Does not apply to Medicare and ERISA plans
- Does not apply to Medicare Part D MTM, but can apply to other MTM programs sponsored by health plans targeting specific patients, diagnoses, medications, etc.
- Pharmacists should be engaged in quality improvement programs, either in partnership with provider entity or with third party
- **The appropriate health plan(s) should be contacted prior to delivering services to determine whether pharmacist provided medical services are subject to reimbursement**

# Next Steps

- Plans implement AB317 utilizing guidance documents
- Guidance documents “living”, updated as needed
- Collaborative learning sessions to be hosted with health plans beginning 2025 to learn from best practices, improve and align processes

# Communication / Dissemination Plan

**Health Plans, State**

- CAHP to share guidance documents (Week of Aug 5)

**Pharmacists / Pharmacies**


- **CPhA**
  - Town Hall (Aug 6)
  - Host "clearinghouse" website with guidance documents and information about HP-specific requirements with links (as HP details become available)
- **CSHP, AMCP:** Distribute guidance documents and links to members (Aug)
- **Schools of Pharmacy:** Distribute to alumni and preceptor networks
- **Board of Pharmacy:** Distribute guidance documents and links to all licensed pharmacists (Aug)

**Clinics / Health Systems**

- **CMA, CAFP, CPCA, CHA, APG, local FQHC associations, Right Care Initiative, Calif Right Meds Collab:** Share guidance documents and links with members (Aug), offer to present at meetings
  - CMA, CAFP: Dr. Buss
  - CHA: Dr. Shane
  - Right Care, Cal Right Meds: Steve

**Public**

- **CPhA, CRMC / USC Mann**: Draft 1-page simple summary for the public about AB317 addressing rationale for the bill (why it should matter to them), services available, what they can expect, e.g., medication management, care coordination, copayments, etc. Distribution through community pharmacies, clinics, wellness centers, barbershops, etc. (1-pager completed by Sep, distribute by Oct or when most HPs have implemented AB317)

**Acknowledgement:** AB 317 Implementation Subgroup Committee members:

- Raed Ahmed, Saban Community Clinic
- Jessica Abraham, USC
- Michael Blatt, IEHP
- Susan Bonilla, CPhA
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- Raffi Svadjian, USC
- Salina Wong, BSC

**Core Principle** (From MD health system representative)

"Significant evidence demonstrates positive outcomes when pharmacists provide patient care services. In alignment with the intent of the AB317 payment parity law, payors support the inclusion of pharmacists in their health plan provider networks to bill for covered patient care services within the pharmacist's scope of practice in the same way other providers such as physicians, nurse practitioners, and physician assistants are included. This in turn will remove the historical barrier for pharmacists to provide bill for covered patient care services necessary to improve clinical and health outcomes, increase access to care and optimize effectiveness of care-teams."

# Q&A