



M E D I C A I D B U L L E T I N

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**To: All Medicaid-Enrolled Physicians, Nurse
Practitioners, Dentists, Pharmacies, Psychologists,
and Clinics**

**Subject: Implementation of Smoking Cessation Treatment
Services**

Overview

As you are aware, smoking has proven to be a major contributor to premature death and disease. There is overwhelming evidence that smoking cessation is an important and readily available modality to prevent disease and disability and arrest smoking-related disease processes. Scientific literature has revealed the following:

- Tobacco use is responsible for more than 420,000 deaths in the United States each year.
- Smoking kills 10,000 Hoosiers each year.
- Indiana ranks in the top ten states in prevalence of smoking among all the states in the United States.
- Indiana has the sixth highest rate of deaths related to smoking among all states in the United States.
- Smoking is a known cause of cancer, heart disease, stroke, and chronic obstructive pulmonary disease.
- Billions of dollars are spent every year on smoking-related medical care.
- Smoking costs every man, woman and child in Indiana \$548 per year for health-related costs.
- Recent estimates are that twenty-five percent (25%) of Americans smoke, with thousands of children and adolescents becoming addicted to tobacco each day.

- Studies of people who have quit indicate that counseling is a necessary component of smoking cessation treatment and improves the chance for success.

In recognition of both the need and availability of treatment to facilitate smoking cessation, the Indiana Medicaid Program is providing reimbursement for these services, effective October 27, 1999. This bulletin fully describes the Program's coverage and reimbursement policies for this service and includes the following sections: Coverage and Limitations, Products, Counseling and Billing Instructions.

Coverage/Limitations

Coverage of Smoking Cessation Treatment services is for dates of service on or after October 27, 1999.

Reimbursement for smoking cessation is available for one (1) twelve (12) week course of treatment per recipient per calendar year.

Treatment may include prescription of any combination of smoking cessation products and counseling. One (1) or more modalities of treatment may be prescribed. Counseling **must** be included in any combination of treatment.

Prior authorization is not required for reimbursement for smoking cessation products or counseling.

Hoosier Healthwise

Providers of smoking cessation treatment services must obtain the Primary Medical Provider (PMP) certification for Hoosier Healthwise enrollees.

Smoking Cessation Products

Reimbursement is available to pharmacy providers for smoking cessation products when *prescribed* by a licensed practitioner within the scope of his/her license under Indiana law.

Only patients who agree to participate in smoking cessation counseling are to receive prescriptions for smoking cessation products. The prescribing practitioner may want to have the patient sign a commitment to establish a "quit date" and to participate in counseling as the first step in smoking cessation

treatment. A prescription for such products will serve as documentation that the prescribing practitioner has prescribed or obtained assurance from the patient that counseling will concomitantly occur with the receipt of smoking cessation products.

Products covered by Indiana Medicaid include, but are not limited to:

- Sustained release bupropion products.
- Nicotine replacement drug products (patch, gum, inhaler).

Smoking Cessation Counseling

Counseling services must be *prescribed* by a licensed practitioner within the scope of his/her license under Indiana law. Reimbursement is available for smoking cessation counseling services *rendered* by the following licensed practitioners participating in the Indiana Medicaid Program.

- A physician.
- A physician's assistant.
- A nurse practitioner.
- A registered nurse.
- A psychologist.
- A pharmacist.

Counseling must be provided as follows: A minimum of thirty (30) minutes [two (2) units] and a maximum of one hundred fifty (150) minutes [ten (10) units] within the twelve (12) weeks. Counseling will be billed in fifteen (15) minute increments.

Billing Instructions and Reimbursement

Counseling Services

Providers/practitioners of counseling services must bill only on the HCFA 1500 claim form (please see applicable provider manual section for full details), utilizing procedure code Z5064 (smoking cessation treatment counseling) with a primary diagnosis code of 305.1 (Tobacco use disorder). As previously noted herein, one unit of Z5064 will be considered as fifteen (15) minutes of service. Fractional units of service cannot be billed on the HCFA 1500, so

providers/practitioners should accumulate billable time equivalent to whole units, before billing. Counseling must be provided within the twelve (12) week course of treatment and must be a minimum of thirty (30) minutes [two (2) units] with a maximum of one hundred fifty (150) minutes [ten (10) units].

The Indiana Medicaid maximum allowable rate for code Z5064, smoking cessation treatment counseling services is \$22.08 per unit, regardless of the type of practitioner rendering the service. PLEASE NOTE: Providers/practitioners are to bill their “usual and customary charge” for the units of service rendered, and Medicaid will calculate the final reimbursement amount.

Practitioners eligible to provide smoking cessation treatment counseling services, but not currently enrolled as an Indiana Medicaid provider, should contact the EDS Customer Assistance Unit for instructions on how to proceed. Eligible practitioners such as pharmacists, who work for or own Medicaid-enrolled pharmacies, will bill for counseling services they render through the enrolled entity in which they provide services. Physician’s assistants, registered nurses, and psychologists who are not health service providers in psychology (HSPP) will bill for counseling services they render through the enrolled entity in which they provide services.

Providers/practitioners are reminded that they are NOT entitled to Medicaid reimbursement for a service which they provide to the general public at no charge, including smoking cessation counseling services. The Health Care Excel (HCE) Surveillance Utilization and Review (SUR) Department will closely monitor adherence to this program limitation.

Both ordering and rendering practitioners should maintain sufficient documentation of their respective functions to substantiate the medical necessity of the service rendered, and the provision of the service itself; this requirement is consistent with existing Medicaid policies and regulations.

Smoking Cessation Products

Smoking cessation products, previously mentioned herein, will be covered under the Indiana Medicaid Program for products provided on October 27, 1999, and later.

Reimbursement is available to pharmacy providers for smoking cessation products when prescribed by a licensed practitioner within the scope of his/her license under Indiana law.

Over-the-counter smoking cessation products must still be prescribed by a licensed practitioner in order for the pharmacy to be reimbursed by Medicaid. All smoking cessation products must be prescribed by a licensed practitioner for use, along with counseling, within the twelve (12) week treatment timeframe.

Pharmacies will bill for reimbursement according to the normal procedures as outlined in the provider manual (please see applicable provider manual section for full details).

Please Note

The Office of Medicaid Policy and Planning is hopeful that practitioners' efforts in assisting their patients with smoking cessation will ultimately lead to a more healthy patient population. We welcome any comments you may have about this new program, which may assist our efforts to implement it practically and efficiently.

Additional Assistance

Please direct any questions you may have regarding this bulletin and the policies to Health Care Excel, Medical Policy Department, at 317-347-4500. Questions regarding billing procedures referenced herein may be directed to the EDS Customer Assistance Unit at 1-800-577-1278.

Indiana's Smoking Cessation Program is in concert with the Agency for Health Care Policy and Research (AHCPR) Clinical Practice Guidelines. These guidelines may be obtained by calling (800) 358-9295, by writing to the Agency for Health Care Policy and Research, Publication Clearinghouse, P.O. Box 8547, Silver Spring, MD 20907, or through their web site at <http://www/ahcpr.gov/>.