

March 20, 2025

SEPARATE REIMBURSEMENT OF CERTAIN INPATIENT HIGH-COST DRUG AND BIOLOGICS (HCCADS)

BACKGROUND

While Medicaid covers drugs and biologics administered in both inpatient and outpatient settings, those administered in an inpatient setting are usually not reimbursed separately to hospitals. Instead, they are bundled into a Diagnosis Related Group (DRG) payment reflecting all average hospital costs associated with providing care for the patient's primary diagnosis and complications. DRG payments exclude separate reimbursement for high-cost drugs or biologics, which can range from hundreds of thousands of dollars to upwards of three million dollars per dose.

KEY DETAILS

This notice contains information on implementing the Separate Reimbursement of Certain Inpatient High-Cost Drug and Biologics (HCCADs). HCCAD are drugs or biologics that HHSC has approved to be "carved out" of the All-Patient Refined Diagnosis Related Group (APR-DRG) and can be billed on an outpatient claim.

This change will take effect uniformly in both fee-for-service and managed care on June 2, 2025.

HCCAD List:

- HEMGENIX
- ELEVIDYS
- SKYSONA
- LYFGENIA
- ZYNTEGLO
- ROCTAVIAN
- ZOLGENSMA
- CASGEVY
- KYMRIAH
- CARVYKTI
- ABECMA
- BREYANZI
- TECARTUS
- YESCARTA

ADDITIONAL INFORMATION

The SPA language is forthcoming and will be provided in a later notice.

RESOURCES

[2025 0324 – HCCAD Question Log](#)