

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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September 15, 2010

Phys
Pharm

MEDICAID BULLETIN

TO: Providers Indicated

SUBJECT: Physician Administered Injectable Drugs Fee Schedule Update

Effective with dates of service on or after October 1, 2010, the South Carolina Department of Health and Human Services (SCDHHS) will change the reimbursement methodology for injectable drugs administered in an office, clinic, or outpatient hospital setting.

The new reimbursement schedule has a four-tier structure. The reimbursement for drugs within each tier is set as follows:

- Tier 1 contains certain generic and injectable drugs in classes with therapeutic alternatives and is priced at Maximum Allowable Cost (MAC)/Least Cost Alternative (LCA)
- Tier 2 contains newer agents and higher cost drugs and is priced at Average Sales Price (ASP) plus 6%.
- Tier 3 contains moderately priced agents and older drugs where there are often significant AWP/ASP differences and is priced at ASP plus 10%.
- Tier 4 contains drugs where ASP pricing is not available and is priced at Average Wholesale Price (AWP) minus 18%.

The SCDHHS will adjust the provider-administered injectable drug fee schedule quarterly so that reimbursement levels reflect changes in market prices for acquiring and administering drugs.

This bulletin affects fee-for-service policy and applies only to those beneficiaries in this service option. For the managed care policy on physician administered injectable drugs, please contact the appropriate managed care organization (MCO). Managed care organizations are required to provide at least the same benefits as those provided under fee-for-service arrangement.

For additional information on this policy update and to view the fee schedule, please refer to the Physicians, Laboratories, and Other Medical Professionals Manual, and Clinic and Hospital Services Provider Manual. The most current versions of the provider manuals are maintained on the SCDHHS website at www.scdhhs.gov. If you have any questions regarding this bulletin or any other Medicaid billing or policy questions, please contact your Program Representative in the Division of Pharmacy, Durable Medical Equipment, and Physician Services at (803) 898-2660, or the Division of Hospital Services at (803) 898-2665. Thank you for your continued support and participation in the South Carolina Medicaid Program.

/S/
Emma Forkner
Director

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