PHARMACY SERVICES

ELIGIBLE PROVIDERS

A pharmacy must be licensed to operate as a pharmacy with the state licensing agency where the pharmacy operates. The pharmacy must also be enrolled with South Dakota Medicaid as an eligible provider.

Please refer to the provider enrollment chart for additional details on enrollment eligibility and supporting documentation requirement.

ELIGIBLE RECIPIENTS

Providers are responsible for checking a recipient's Medicaid ID card and verifying eligibility before providing services. Eligibility can be verified using South Dakota Medicaid's online portal.

The following recipients are eligible for medically necessary services covered in accordance with the limitations described in this chapter:

Coverage Type	Coverage Limitations
Medicaid/CHIP Full Coverage	Medically necessary services including prescription drugs covered in accordance with the limitations described in this chapter.
Unborn Children Prenatal Care Program (79)	Coverage restricted to pregnancy related services only including medical issues that can harm the life of the mother or baby.
Medicaid Renal Coverage up to $5,000 (80)	Coverage restricted to outpatient dialysis, home dialysis, including supplies, equipment, and special water softeners, hospitalization related to renal failure, prescription drugs necessary for dialysis or transplants not covered by other sources and non-emergency medical travel reimbursement to renal failure related appointments.

Refer to the Recipient Eligibility manual for additional information regarding eligibility including information regarding limited coverage aid categories.

Recipient Retro-eligibility
In cases of retro-eligibility a recipient receives a letter stating the dates of eligibility. The patient must show the pharmacy the letter within six months of receipt. The provider may electronically submit claims within six months of the current date. For claims older than six months the pharmacy may contact the pharmacy claims processor and request a billing window be opened. It is the pharmacy's responsibility to refund the patient for claims subsequently paid by

Medicaid. Medicaid cannot directly reimburse a patient. The pharmacy should keep a copy of the retro-eligibility letter for audit purposes.

COVERED SERVICES AND LIMITS

General Coverage Principles

Providers should refer to the General Coverage Principles manual for basic coverage requirements all services must meet. These coverage requirements include:

- The provider must be properly enrolled;
- Services must be medically necessary;
- The recipient must be eligible; and
- If applicable, the service must be prior authorized.

The manual also includes non-discrimination requirements providers must abide by.

Covered Services

A prescription is required for all items, services, legend, non-legend drugs and supplies covered by South Dakota Medicaid. To be eligible for coverage, all products must be FDA approved and have an existing federal rebate agreement. The following prescription drugs, biologicals, and related items and services are covered:

- Legend eye preparations, vaginal therapeutics, otic pharmaceutical preparations, or inhalations for asthmatic conditions;
- Antibiotic products which are known, either by sensitivity test or product information, to be the single item of choice for the diagnosis;
- Insulin;
- Concentrated cryoprecipitate used in the home treatment of hemophilia;
- Legend vitamins prescribed for the prenatal care of pregnant women;
- Calcitriol if used for renal impairment and determined medically necessary by the prescriber;
- Spacers, such as Aerochamber and InspirEase, and solutions that are medically necessary for the administration of legend drugs used for the delivery of respiratory or inhalation therapy;
- Syringes and needles for the administration of medication covered under this chapter;
- Urine and blood testing items for a diabetic, except for glucometers which are covered under the durable medical equipment benefit. Refer to the DMEPOS manual for coverage criteria;
- All other legend prescription drugs and biologicals, except for the items listed in the Non-covered Products or Services section of this manual; and
- The OTC items recommended for coverage by the Pharmacy and Therapeutics (P&T) committee and approved for coverage by South Dakota Medicaid.

340B Drugs

Drugs acquired through the 340B program and dispensed by a covered entity are not covered. This includes drugs dispensed from a covered entity's contract or in-house pharmacy and

physician or other licensed practitioner administered drugs. A covered entity as defined in 42 U.S.C. 256b that is a South Dakota Medicaid provider must ensure it excludes or "carves out" South Dakota Medicaid for 340B billing. The Medicaid 340B carve out also applies to claims where Medicaid is the secondary payer. Providers may continue to participate in the 340B program for payers other than South Dakota Medicaid.

Covered entities must have a mechanism in place to prevent duplicate discounts. Covered entities should notify HRSA that they are carving out South Dakota Medicaid for the purposes of 340B billing if they have not already notified HRSA.

Certification of Brand Name Drugs
Reimbursement of a brand name drug is limited to the state Maximum Allowable Cost (MAC) or Federal Upper Limit (FUL) price unless the prescriber certifies through the prior authorization process that in his/her medical judgment a brand name product is medically necessary.

A check off box on a prescription form is not acceptable certification and will be denied or subject to recoupment. For a telephone prescription requesting brand name necessary by the prescriber, the pharmacist shall indicate on the face of the prescription that a brand name was requested by the prescriber. The pharmacist must also indicate the time of day the telephone order was taken on the face of the prescription.

Claims submitted with a "Dispense As Written = 2" (DAW2) will return a patient copay that includes the difference in price between the brand name drug and the generic equivalent.

Compounds
Only drugs normally covered by Medicaid are paid for when a compound claim is submitted. Flavoring agents are not considered covered outpatient drugs and are not covered when submitted with a compound claim. Compound claims must be submitted using NCDPD Compound Claim standards.

Day Supply
Unless otherwise noted, the maximum day supply allowed under Medicaid is 34 days. Products with unique package sizes (ex. creams, liquids, etc) may be subject to a day supply limit less than 34. Certain generic maintenance medications are eligible for 90-day fills after a recipient has established compliance and tolerability by filling a prescription for the same drug and strength for three 30-day fills withing the previous 100 days. Please reference the list of medications eligible for 90-day fills.

Family Planning Items
An initial prescription for a family planning item must be dispensed in a one-month supply until maintenance is established after three months. Once maintenance is established, the item may be dispensed in at least a three-month supply and, if prescribed by the physician, may be dispensed in up to a 12-month supply.

High Dollar Claims
Any claim exceeding $5,000 requires prior authorization.

Medicare Part D
Recipients eligible for Medicare Part D have a limited Medicaid prescription benefit. Medicaid or its pharmacy processing vendor cannot assign an "override code" for claims not covered by Medicare Part D. Recipients must enroll with a Part D plan once they become eligible. Medicare Part D replaces the Medicaid prescription drug benefit and failure to enroll in a Part D plan does not entitle the recipient to continued Medicaid pharmacy coverage.

Opioids
Opioid pain medications are subject to pharmacy point of sale (POS) adjudication edits.

- The refill threshold is 85%.
- Opioid naïve patients are restricted to a 7-day supply and 60 morphine equivalents per day. An opioid naïve patient is a patient that has not filled a prescription through South Dakota Medicaid in the previous 60 days. This edit applies to the first two prescription fills.
- Prescriptions exceeding 90 morphine equivalents per day require the prescriber to submit a prior authorization.
- Patients are limited to one short acting opioid product and one long-acting opioid product. Two strengths of the same drug and dosage form count as one product. Example, oxycodone ER 10mg and oxycodone ER 20mg count as one product.
- Claims for combination products containing acetaminophen (APAP) will deny if the APAP daily dose exceeds 4 grams. The pharmacist may submit a drug utilization review (DUR) override to bypass this edit if appropriate.
- A claim for an opioid will deny if the patient is also utilizing buprenorphine products. After consulting with the prescriber, the pharmacist may submit a DUR override to bypass this edit if appropriate.
- An alert message will be returned to the pharmacist for concomitant therapy of an opioid/benzodiazepine, opioid/prenatal vitamin, opioid/muscle relaxant, and/or an opioid/antipsychotic.
- Patients with a cancer or terminal diagnosis on record with South Dakota Medicaid are exempt from all criteria except the refill threshold.
- Patients new to Medicaid may not have a drug or diagnosis history with Medicaid. This may cause their initial claims to be subjected to these edits even though they may not be opioid naive or exempt due to cancer or a terminal diagnosis.

Over the Counter (OTC) Coverage
Select over-the-counter drugs are covered. The list of covered OTC drugs can be found on our website: https://sdm.pharmacy.optum.com/additional-info.

Pharmacy Administered Lab Tests
Refer to the Laboratory and Pathology Services manual for claims instructions regarding laboratory tests. Pharmacies are required to follow these regulations.

Preferred Drug List
South Dakota Medicaid has a limited preferred drug list (PDL). The PDL can be found here. If a drug is not listed on the PDL that means it is not subject to the PDL. For example, ACE Inhibitors are not listed on the PDL. South Dakota Medicaid does not restrict which ACE Inhibitor can be prescribed. A pharmacy may dispense any ACE Inhibitor that is FDA approved and that has a federal rebate agreement. All drugs, whether on the PDL or not, may be subject to prior authorization criteria (PA). A list of Pharmacy Point of Sale drugs requiring prior authorization can be found here.

Prior Authorizations
Prior authorizations (PAs) are processed by a contracted vendor. Most PA requests are adjudicated within 72 hours. A "clean" request is often adjudicated in less than 24 hours. A PA will have an end date, typically one year, after which a new PA must be submitted. PAs are not open ended. PAs will not be backdated, a prescription filled prior to a PA being obtained is the responsibility of the patient. Prior authorization forms are accessible on the South Dakota Medicaid Pharmacy Website.

Emergency Fill
An emergency claim of up to five days fill is allowed in cases where a delay in seeking a PA would negatively impact patient care and a PA cannot be obtained due to circumstances beyond the control of the pharmacy or patient (ex. holiday, prescriber not available). Approval of the five-day supply does not guarantee the PA will ultimately be approved. The pharmacy must submit the appropriate code in the Level of Service field (418-DI). Refer to the South Dakota Medicaid Payer Sheets for code selection. Non-emergency claims submitted with the emergency code are subject to recoupment.

Prenatal Vitamins
Prenatal vitamins are covered for pregnancy only. Claims submitted for non-pregnant women may be subject to recovery.

Prescription Drug Monitoring Program (PDMP)
South Dakota Medicaid recommends all providers, including pharmacists, to utilize the South Dakota Prescription Drug Monitoring (PDMP) program if fraud or abuse of a controlled substance is suspected.

Professional Dispensing Fee
South Dakota Medicaid pays a professional dispensing fee to pay for costs exceeding the ingredient cost of a covered drug. Examples of pharmacy costs include, but are not limited to, any reasonable costs associated with a pharmacist's time in checking the computer for information about an individual's coverage, performing quality assurance activities, measurement or mixing of the covered drug, filling the container, physically providing the completed prescription to the Medicaid recipient, postage, delivery, special packaging, and salaries of pharmacists and other pharmacy workers as well as the costs associated with maintaining the pharmacy facility and acquiring and maintaining technology and equipment necessary to operate the pharmacy.

Delivery Signatures

Pharmacies located outside of South Dakota that ship medications to a South Dakota Medicaid recipient must take all necessary steps to assure the recipient receives the medication when needed. South Dakota Medicaid will not reimburse for medications not received by the recipient. South Dakota Medicaid does not require a signature, but please note, the only definitive proof of delivery accepted by South Dakota Medicaid is a copy of the recipient signature on the delivery log.

Medications not received by the recipient which results in the recipient needing to obtain the prescription from a local pharmacy may be reversed by South Dakota Medicaid to allow the new claim to process.

Recipient Counseling

Administrative Rule of South Dakota (ARSD) 20:51:25 outlines counseling standards that apply to all South Dakota licensed pharmacies and is enforced by the South Dakota Board of Pharmacy. South Dakota Medicaid does not have additional requirements. ARSD 20:51:25 includes counseling standards for:

- Standard for counseling for new and refill prescriptions;
- Standard for pharmacist or designee to make offer of counseling;
- Standard for when the recipient or caregiver is not readily available to receive a counseling offer or the counseling itself;
- Standard for when prescriptions are delivered or mailed.

Counseling elements may include, as applicable.

- The name and description of the drug;
- The dosage form, dose, route of administration, and duration of drug therapy;
- The intended use of the drug and its expected action;
- Special directions and precautions for preparation, administration, and use by the patient;
- Common severe side or adverse effects or interactions and therapeutic contraindications that may be encountered, including their avoidance, and the action required if they occur;
- Techniques for self-monitoring drug therapy;
- Storage requirements;
- Prescription refill information;
- Action to be taken if a dose is missed; and
- The pharmacist's comments relevant to the drug therapy, including any other information peculiar to the specific patient or drug.

South Dakota regulation does not require a pharmacist to document counseling that was accepted or offered. The absence of a record signifies counseling was accepted and provided or that an offer was made. Failure to complete counseling shall be recorded for the following instances.

- The patient or caregiver refuses to accept the pharmacist's personal oral counseling;

- Counseling was not practicable;
- Counseling could not be accomplished by telephone contact.

South Dakota Medicaid does not require additional documentation for counseling. Any documentation required under ARSD 20:51:25 must be retained according to the Documentation and Record Keeping manual.

Refill Thresholds

Prescription refills are subject to the following limitations based on the dispensed day supply:

- Non-controlled substances: 75%
- Controlled Substances: 85%

For example, a 30-day prescription for a non-controlled substance filled on March 1st is eligible to be refilled after 75% of the 30-day supply has passed, or March 23rd.

Renal Drug Program

The Renal Drug program is limited in scope; eligible individuals will not have a Medicaid ID card but will have a letter of authorization for renal program benefits. The Medicaid ID number for these recipients begins with an "8". Payment for drugs will be restricted to the following prescription drugs necessary for dialysis or transplants not covered by any other sources:

- Digoxin;
- Diuretics (Lasix, etc.);
- Prescription vitamin and mineral supplements;
- Immunosuppressives;
- Corticosteroids;
- Angiotensin Converting Enzyme (ACE) inhibitors and Angiotensin Receptor Blockers (ARB); or
- Hematinics.

Any items billed by the provider that are not included in this list will be denied as a non-covered service under the renal program.

Tamper Resistant Prescriptions

For written prescriptions, the prescribed drug or over-the-counter item is not covered unless the prescription was written on a tamper-resistant prescription drug pad. To be considered tamper resistant, a prescription pad must contain the following three characteristics:

- One or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form, such as a high security watermark;
- One or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber, such as tamper-resistant background ink that shows erasures or attempts to change written information; and

- One or more industry-recognized features designed to prevent the use of counterfeit prescription forms, such as sequentially numbered blanks and duplicate or triplicate blanks.

Prescriptions transmitted electronically to the pharmacy, prescriptions transmitted to the pharmacy by facsimile, and prescriptions communicated to the pharmacy by telephone are considered tamper resistant.

Tobacco Cessation Products
Over the counter nicotine replacement products (ex. patches, lozenges) are covered under the South Dakota QuitLine program, you may contact them at 1-866-737-8487 or https://www.sdquitline.com/.

Prescription smoking cessation products (ex. Chantix) are covered under the Medicaid prescription drug benefit.

Vaccine Coverage
Vaccines may be administered by a pharmacy when ordered by a physician, other licensed practitioners or under a collaborative agreement per SDCL 36-11-19.1. Flu vaccines do not require an order by a physician or other licensed practitioner if pharmacist meets the criteria in ARSD Ch. 20:51:28. Based on the Third Amendment to Declaration Under the Public Readiness and Emergency Preparedness Act for Medical Countermeasures Against Covid-19 South Dakota Medicaid will reimburse pharmacist administered claims for recipients age 3 years old or older without a physician or other licensed practitioner's order. This temporary coverage exception will end December 31, 2024. A Care Management Provider referral is not required for vaccines.

COVID-19 Vaccines for Recipients 19 or Older
Claims for COVID-19 vaccines for Medicaid recipients 19 years of age or older may be submitted through the Pharmacy Point of Sale System (POS).

Flu Vaccine for Recipients 19 or Older
Flu vaccines billed by a pharmacy for Medicaid recipients 19 years of age or older are billable through the pharmacy point of sale system. The flu vaccine administration will be paid in the form of the pharmacy dispensing fee. A valid prescriber NPI is required in accordance with current South Dakota pharmacy rules.

Claims for vaccines administered by the pharmacy must be submitted with a pharmacy taxonomy code beginning with 3336. Claims submitted without a taxonomy code or with a taxonomy code that does not begin with 3336 will deny.

Other Vaccines
For all other vaccines besides COVID-19 vaccines and flu vaccines for recipients 19 or older the claim must be submitted on a CMS 1500 claim form using the pharmacy's NPI number. Pharmacies must bill vaccine administration using CPT codes 90471, 90472, 90473 or 90474.

The administration code must be listed first, followed by the appropriate vaccine CPT code. Claims without both CPT codes in the correct order will deny. Providers must bill state supplied vaccines with the SL modifier.

Pharmacy flu vaccine claims on a CMS 1500 do not require a prescriber order. All other vaccines must include the prescriber's name in box 17 and their NPI number in box 17b of the claim form. Please note this requirement is temporarily suspended for recipients age 3 years old or older based on the Third Amendment to Declaration Under the Public Readiness and Emergency Preparedness Act for Medical Countermeasures Against Covid-19. South Dakota Medicaid will reimburse pharmacist administered claims for recipients age 3 years old or older without a prescriber's name being required on the claim. This temporary coverage exception will end December 31, 2024. A Care Provider referral is not required for vaccines

Pediatric Vaccine Counseling
South Dakota Medicaid covers vaccination counseling by providers authorized to administer COVID-19 and childhood vaccines, including those authorized under the HHS COVID-19 PREP Act declaration, for children under age 21. Providers should refer to the Physician Administered Drugs, Vaccines, and Immunizations manual for additional coverage and billing information.

NON-COVERED PRODUCTS OR SERVICES

The following items and services are not covered:

- Non-legend prescription drugs and over-the-counter items and medical supplies except for those items addressed in the OTC section;
- Shipping or delivery charges;
- Prescriptions lost during shipping or delivery;
- Drugs that are prescribed by practitioners who are not licensed to prescribe or are prescribed outside the practitioner's scope of practice;
- Drugs dispensed after the drug's expiration date;
- Legend oral vitamins except for legend vitamins prescribed for the prenatal care of pregnant women covered under ARSD §67:16:14:04;
- Nicotine patches and other nicotine replacement products;
- Herbal, homeopathic, probiotic, nutritional supplements, or medical foods;
- Medical cannabis in any form;
- Services, procedures or drugs that are not approved for marketing by the United States Food and Drug Administration or which are considered experimental;
- Agents to promote fertility, or to treat impotence, or sexual or erectile dysfunction;
- Agents used for anorexia, weight loss, weight gain, hair growth or cosmetic purposes;
- Items or drugs manufactured by a firm that has not signed a rebate agreement with the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services;
- Items which exceed a 34-day supply, except for family planning items, prenatal vitamins, and generic maintenance products on the 90-day fill list;

- Drugs and biologicals which the federal government has determined to be less than effective according to Pub. L. No. 97-35, § 2103 (August 13, 1981), 95 Stat. 787;
- Drugs that require prior authorization but did not receive prior authorization prior to dispensing;
- Covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee.

Automatic Refills

Automatic refills and automatic shipments are not allowed. South Dakota Medicaid does not pay for any prescription (original or refill) based on a provider's auto-refill policy. South Dakota Medicaid does not pay for any prescription without an explicit request from a recipient or the recipient's responsible party, such as a caregiver, for each refilling event. The pharmacy provider shall not contact the recipient in an effort to initiate a refill unless it is part of a good faith clinical effort to assess the recipient's medication regimen. The possession, by a provider, of a prescription with remaining refills authorized does not in itself constitute a request to refill the prescription. Recipients or providers cannot waive the explicit refill request and enroll in an electronic automatic refill program. Any prescriptions filled without a request from a recipient or their responsible party may be subject to recoupment. Any pharmacy provider who pursues a policy that includes filling prescriptions on a regular date or any type of cyclical procedure may be subject to audit, claim recoupment or possible suspension or termination of their provider agreement.

Claim Denials

Claims denied for a non-covered product cannot be overridden.

Continuous Glucose Monitors

South Dakota Medicaid covers the purchase of a continuous glucose monitoring system, including sensors, with a prior authorization under the pharmacy benefit unless the recipient is dual eligible (eligible for both Medicare and Medicaid). Providers should refer to the Durable Medical Equipment, Prosthetics, Orthotics and Supplies manual for coverage and billing criteria.

DESI Drugs

The Drug Efficacy Study Implementation (DESI) was a program begun by the Food and Drug Administration (FDA) in the 1960s after the Kefauver-Harris Drug Control Act, which was passed in 1962, requiring all drugs be efficacious as well as safe. Drugs with a DESI designation are not covered by South Dakota Medicaid.

Glucometers

Glucometers are not covered under the pharmacy benefit. A pharmacy may submit a CMS 1500 claim form for a glucometer. South Dakota Medicaid encourages providers to utilize the Provider Online Portal to submit CMS 1500 claim forms.

Medicaid Drug Rebate
If a manufacturer is not listed as a participant in the federal Medicaid Drug Rebate Program, products from that manufacturer will not be covered.

National Drug Code
Each drug product is assigned a unique 11-digit, 3-segment number, known as the National Drug Code (NDC). The first segment (5-digits) identifies the manufacturer or labeler of the drug, the second segment (4-digits) identifies the drug, and the third segment (2-digits) the package size. South Dakota Medicaid requires the 11-digit 5-4-2- format for billing or reporting a NDC.

Physician Administered Drugs
Medications that are administered to a patient as part of a clinic or other outpatient visit are not covered under the pharmacy benefit. Do not bill drugs administered during an outpatient visit through the pharmacy POS system. South Dakota Medicaid does not allow "brown-bagging" or "white-bagging" of prescription drugs administered in an office setting. Pharmacies may not dispense drugs directly to a patient if the drugs are intended for use during a clinic or other outpatient visit. Physician administered drugs dispensed using the POS system are subject to recoupment.

Vacation Supply
Vacation supplies are not covered. Prescriptions filled as a vacation supply are subject to recoupment.

DRUG UTILIZATION REVIEW

The Omnibus Budget Reconciliation Act of 1990 (OBRA 90) requires that all state Medicaid programs include a retrospective drug utilization review (DUR) program. The primary goal of DUR is to enhance and improve the quality of pharmaceutical care and patient outcomes by encouraging optimal drug use. The DUR program strives to ensure that prescribed medications are appropriate, medically necessary, and are not likely to result in adverse medical outcomes. The Medicaid DUR program includes both prospective and retrospective DUR activities.

The retrospective DUR program involves reviews of patient drug history profiles generated from Medicaid paid claims data. The reviews are consistent with subsection 1927 of the Social Security Act and includes reviews for:

- Therapeutic appropriateness
- Overutilization and underutilization
- Therapeutic duplication
- Drug-disease contraindications
- Drug-drug interactions
- Incorrect dosage or duration of therapy
- Clinical abuse/misuse

Prospective DUR requires the pharmacy provider to screen for drug therapy problems at point-of-sale or distribution before each prescription is filled or dispensed. In compliance with OBRA

90 DUR requirements, pharmacy providers must screen each prescription for certain therapeutic problems using the OBRA 90 defined standards. The pharmacy provider's prospective DUR program must be based upon predetermined standards, consistent with subsection 1927 of the Social Security Act.

Documentation Requirements

Record Retention
Providers must keep legible medical and financial records that fully justify and disclose the extent of services provided and billed to South Dakota Medicaid. These records must be retained for at least 6 years after the last date a claim was paid or denied. Please refer to the Documentation and Record Keeping manual for additional requirements.

Reimbursement and Claim Instructions

Claim Instructions
Pharmacies must use their NCPDP D.0 POS (point of sale) to bill for prescription drugs. Pharmacies may not bill for drugs administered in a clinic or hospital setting. The NDC dispensed is the NDC that must be billed to South Dakota Medicaid. All services require a prescription order from a licensed prescriber. All pharmacy claims must include the National Provider Identifier (NPI) of the prescribing provider.

Coupons
Pharmacies cannot use pharmaceutical manufacturers' coupons, discounts, or similar promotions to attract prescription business from South Dakota Medicaid recipients. Federal anti-fraud and abuse provisions prohibit these types of business transactions or arrangements.

Network Error
For network processing errors the pharmacy should first contact their software support personnel or the contracted switch provider before contacting OptumRx

Reimbursement
South Dakota Medicaid reimburses prescription drug claims utilizing a "lesser of" methodology. Claims are reimbursed at the lesser of:

1. Usual and Customary price;
2. National Average Drug Acquisition Cost (NADAC) plus a dispensing fee;
3. Wholesale Acquisition Cost (WAC) if no NADAC plus a dispensing fee;
4. Federal Upper Limit (FUL) plus a dispensing fee;
5. State Maximum Allowable Cost (MAC) plus a dispensing fee.

The dispensing fee is listed on the Pharmacy Dispensing Fee Schedule.

Price Appeals
MAC appeals must be directed to the MAC vendor utilizing the South Dakota MAC Appeal Form. NADAC appeals must be directed to the CMS contracted NADAC vendor using this form.

Timely Filing
South Dakota Medicaid must receive a provider's completed claim form within 6 months following the month the service was provided. Requests for reconsiderations will only be considered if they are received within the timely filing period or within 3 months of the date a claim was denied. The time limit may be waived or extended by South Dakota Medicaid in certain circumstances. Providers should refer to the General Claim Guidance manual for additional information.

Third-Party Liability
Medicaid recipients may have one or more additional source of coverage for health services. South Dakota Medicaid is generally the payer of last resort. Providers must pursue the availability of third-party payment sources and should use the Medicare Crossover or Third-Party Liability billing instructions when applicable. Providers should refer to the General Claim Guidance manual for additional information.

Coordination of Benefits
Pharmacies must follow the NCPDP Implementation Guide when submitting claims with coordination of benefits from more than one health plan or provider. Complete all applicable fields correctly and appropriately. Failure to do so will cause denial of claims or recovery of payments.

Refer to the South Dakota Medicaid Version D.0 Payer Sheet.

DEFINITIONS

1. “Actual Acquisition Cost,” the net cost of a drug to the dispenser;

2. "Bioavailability," the degree to which a drug or other substance becomes available to the target tissue after administration;

3. "Brand name," an arbitrarily adopted name that is given by a manufacturer to a drug to distinguish it as produced or sold by the manufacturer and which may be used and protected as a trademark;

4. "Compounded medication," a therapeutic product prescribed by a licensed practitioner requiring the mixing together of two or more substances by the pharmacist or prescriber;

5. "Contractor," a vendor that has a contract with the department to provide a service;

6. "Cost," for all drugs and supplies, the actual amount paid by the dispensing provider to the supplier after all discounts are deducted;

7. “Drug Efficacy Study Implementation (DESI) Drugs,” Federal Food and Drug Administration (FDA) designations related to "substantial evidence" of effectiveness. DESI drugs were introduced to the market between 1937 and 1962, during which time manufacturers did not have to show that their products were effective. Federal Medicaid statutes prohibit state Medicaid agencies from paying for these drugs. Examples include Midrin and Anusol HC suppositories;

8. "Generic drugs," drugs of similar chemical composition available from multiple sources and not protected by trademark registration;

9. "Legend drugs," drugs which may be dispensed by prescription only;

10. “MAC,” Maximum Allowable Cost;

11. "Maintenance drugs," a medication that has been dispensed three times in the same strength, regardless of dosage schedule, in any combination of brand name or generic form, and used in the treatment of a chronic health condition;

12. "Multiple-source drug," a drug that is sold in therapeutically equivalent forms under one or more brand names, available from two or more generic distributors, and available from one or more drug wholesale firms located in South Dakota;

13. “NADAC,” National Average Drug Acquisition Cost;

14. "Non-legend drugs," drugs and supplies available without a prescription;

15. "Over-the-counter" or "OTC," drugs available without a prescription;

16. "Pharmacist," a person licensed to practice pharmacy under SDCL chapter 36-11 or by the state in which the pharmacist is located;

17. "Pharmacy," a facility defined as a pharmacy under SDCL chapter 36-11 or by the state in which it is located;

18. "Pharmacy and therapeutics committee" or "P&T committee," the South Dakota Medicaid pharmacy and therapeutics committee established under the provisions of Executive Order 2005-09;

19. “Usual and Customary,” refers to the average cash price paid by a patient at a retail pharmacy.

20. "WAC," Wholesale Acquisition Cost;

REFERENCES

- Administrative Rule of South Dakota (ARSD)
- South Dakota Medicaid State Plan
- Code of Federal Regulations

QUICK ANSWERS

1. **Can pharmacies be reimbursed for flu vaccines? Is a prescription from a physician required?**

   Yes, pharmacies may be reimbursed for flu vaccines and other vaccinations allowed under the pharmacy scope of practice. Refer to the Physician Administered Drugs, Vaccines, and Immunization manual for claims instructions and policies regarding pharmacy administered vaccines.

2. **Is Optum Rx a Pharmacy Benefits Manager (PBM) for South Dakota Medicaid?**

   No, South Dakota Medicaid retains sole control over pharmacy benefits for South Dakota Medicaid with input from the P&T Committee. Optum Rx acts in an administrative capacity to process claims and prior authorizations for South Dakota Medicaid.

3. **Who do I contact when I don't know why a claim is denying?**

   You must contact OptumRx at 1-855-401-4262. Completed PA forms can be faxed to 1-844-403-1029.

4. **Can the patient call OptumRx to see why a drug has been denied.**

   No, the OptumRx helpline requires entry of an NPI so it is for pharmacy or prescriber staff only.

5. **Why can't a provider bill South Dakota Medicaid for 340B drugs?**

   Duplicate discounts are prohibited. Drug manufacturers are not required to provide a discounted 340B price and a Medicaid drug rebate for the same drug. Billing South Dakota Medicaid for a drug acquired through the 340B program may result in a duplicate discount.

6. **Can a provider "carve-in" and notify HRSA through the HRSA Medicaid Exclusion file that it will purchase and dispense 340B drugs for South Dakota Medicaid Recipients?**

No. If you have notified HRSA that you “carved in”, you must contact HRSA immediately and indicate you are “carving-out” to prevent a duplicate discount. In addition, you must not bill South Dakota Medicaid for drugs acquired through the 340B program. For more information, please visit HRSA’s website.