PHYSICIAN ADMINISTERED DRUGS, VACCINES, AND IMMUNIZATIONS

ELIGIBLE PROVIDERS

In order to receive payment, all eligible servicing and billing provider's National Provider Identifiers (NPI) must be enrolled with South Dakota Medicaid. Servicing providers acting as a locum tenens provider must enroll in South Dakota Medicaid and be listed on the claim form. Please refer to the provider enrollment chart for additional details on enrollment eligibility and supporting documentation requirements.

South Dakota Medicaid has a streamlined enrollment process for eligible ordering, referring, and attending providers that may require no action on the part of the provider as submission of claims constitutes agreement to the South Dakota Medicaid Provider Agreement.

The following providers may bill for physician administered drugs and vaccines/immunizations (hereafter referred to as "vaccines") as permitted by their licensure:

- Clinical nurse specialists
- Health department clinics
- Indian Health Service (IHS)
- Nurse midwives
- Nurse practitioners
- Outpatient and inpatient hospital departments
- Pharmacies
- Physician assistants
- Physicians
- Tribal 638 providers

South Dakota Medicaid does not enroll individual pharmacists.

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 covered in accordance with the limitations described in this chapter.

Qualified Medicare Beneficiary – Coverage Limited (73)	Coverage restricted to copay, coinsurance, and deductibles on Medicare A and B covered services.
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.

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

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.

Physician Administered Drugs
South Dakota Medicaid covers most drugs and biologics administered in a physician or other licensed practitioner's office that cannot be self-administered. Physician and other licensed practitioners are responsible for ensuring that the treatment is appropriate based on FDA-approved indications, peer-review journals, and standards of practice. To be covered, drugs and biologicals must represent an expense to the physician, other licensed practitioner, or legal entity billing Medicaid. Injections of medications that can be self-administered are not covered when administered by a physician, or other licensed practitioner, unless justified by the recipient's condition.

South Dakota Medicaid maintains a preferred drug list (PDL) for select physician administered drugs that have an available biosimilar product. Drugs on this list may additionally require clinical prior authorization (see Physician Administered Drug webpage for individual PA criteria and request forms). This PDL is reviewed and updated annually to be effective January 1st of each calendar year.

Administration
For physician administered drugs, in addition to the HCPCS drug code, providers may separately bill the applicable administration procedure CPT code 96372 or 96373. The code may be billed once for each injection administered on a date of service

Units
Providers must ensure that the units of drugs or biologicals administered to patients are accurately reported in terms of the dosage/units specified in the complete HCPCS code descriptor. Prior to submitting claims providers should review the HCPCS code long descriptor.

Provider should not bill units based on the way the drug is packaged, priced, stored or stocked. The following are examples of how to bill units:

- HCPCS drug descriptor is 10 mg. 700 mg of drug is administered to the recipient. The units billed is 70.
- HCPCS drug descriptor is 5 mcg. 5 mcg of drug is administered to the recipient. The units billed is 1.
- HCPCS drug descriptor is 25 mg. 250 mg of drug is administered to the recipient. The units billed is 10.

Pharmacy Acquired Drugs

Drugs 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 should not dispense drugs directly to a patient if the drugs are intended for use during a clinic or other outpatient visit.

Discarded Portion of Administered Drugs

Providers must report the JZ modifier on all claims that bill for drugs or biologicals from a single-dose vial or package when there are no discarded amounts.

When providers must discard the remainder of a single use vial package after administering a dose or quantity of the drug or biological, they report the amount of the unused and discarded drug on a separate claim line using the JW modifier. Providers are expected to use the package size that produces the least amount of drug waste. For example, if a patient needs 50 mg of drug and the product comes in 50 mg and 100 mg vials, providers should use the 50 mg vial. The line with the JW modifier pays at zero. The recipient may not be billed for discarded drugs.

The use of JW or JZ modifiers is not appropriate if the drug was not purchased by the physician (e.g., drug samples) or when the drugs are labeled as multidose vials or containers.

Donated Drugs

South Dakota Medicaid does not reimburse providers for drugs donated to a recipient. The administration of the drugs by a provider is covered. Do not include the code for the drug on the claim for administration.

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.

When the TB modifier is used to indicate that a drug or biological is acquired with a 340B drug pricing program discount the claim will be denied by South Dakota Medicaid.

National Drug Code (NDC)

Physician administered drugs must be billed with both a HCPCS code and an 11-character NDC with no hyphens or spaces. The Federal Deficit Reduction Act of 2005 (DRA) requires Medicaid state agencies to collect rebates from participating drug manufacturers for physician-administered or dispensed drugs. An NDC is required as it allows the state to identify which manufacturer should be billed for rebates. The NDC is found on the drug container such as a vial, bottle, or tube. The NDC submitted on the claim must be the actual NDC number on the package or container from which the medication was administered. Refer to the CMS 1500 Claim Instructions for information regarding reporting the NDC on a claim.

Prior Authorization Criteria and Request Forms

Prior authorization criteria for all products that are physician administered can be found on South Dakota Medicaid's Physician Administered Drugs, Vaccines and Immunizations webpage. Corresponding request forms are individualized per product and can be found in the same location.

Vaccine Coverage

South Dakota Medicaid covers medically necessary vaccines and follows the American Academy of Pediatrics (AAP) immunization schedule, which is available on the AAP website. Vaccines may be administered by physicians, other licensed practitioners, or nurses as allowed within their scope of licensure.

Pharmacy Vaccines

Refer to the Pharmacy Services manual for coverage, reimbursement, and claim instructions.

Vaccine for Children Program

Providers must obtain vaccines for recipients 18 years of age and under from the Vaccines for Children Program if the vaccine is available through the program. A list of available vaccines is provided here. Providers must bill state supplied vaccines with the SL modifier, indicating the vaccine was supplied through the Vaccine for Children's program which are paid at $0. Claims for vaccines that are available through the Vaccines for Children program for recipients 18 years of age and under that do not include the SL modifier will pay at $0.

South Dakota Medicaid reimburses the administration fee for vaccines available through the Vaccine for Children Program. The SL modifier should not be added to a vaccine administration code, regardless of the vaccine being administered, otherwise it will be paid at $0.

If state supplied vaccines are temporarily unavailable from the VFC program, you must submit the claim on paper with supporting documentation such as a letter from the Department of Health stating they are out of the vaccine.

Pediatric Vaccination 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. Pediatric vaccination counseling consists of discussing CDC vaccine recommendations, benefits, possible side effects, and answering any questions the recipient or their parents have regarding the vaccine(s). Providing a handout or written information does not constitute counseling. Counseling may be provided to a parent or guardian if age appropriate and for the direct benefit of the child. Vaccine counseling and the types of vaccine counseled on must be documented in the medical record. Vaccine counseling is considered included in a well-child visit and is not separately billable in addition to a well-child visit. Counseling is not separately reimbursed if it is or can be included in a vaccine administration code.

Pediatric vaccination counseling can be billed using CPT codes G0312-G0313 for claims billed prior to January 1, 2026 and 90482-90484 for claims billed on and after January 1, 2026. One unit of a vaccine counseling code is inclusive of all counseling provided that day, including if counseling was for multiple types of vaccines.

A total of six counseling sessions per recipient, per calendar, year are reimbursable. Counseling may be provided via telemedicine. Counseling may also be provided via audio only if the visit was initiated by the recipient and the recipient does not have access to face-to-face audio/visual telemedicine technology. Telemedicine and audio only services must be billed in accordance with the Telemedicine Services billing manual.

FQHC/RHCs

Refer to the FQHC/RHCs manual for coverage, reimbursement, and claim instructions.

IHS/Tribal 638 Facilities

Refer to the IHS and Tribal 638 Facilities manual for coverage, reimbursement, and claim instructions.

NON-COVERED SERVICES

General Non-Covered Services

Providers should refer to ARSD 67:16:01:08 or the General Coverage Principles manual for a general list of services that are not covered by South Dakota Medicaid.

Vaccine Non-Covered Services

A vaccine code is not covered when billed without a vaccine administration code. A vaccine administration code is not covered when billed without a vaccine code. Reimbursement for vaccines is not available as a service provided by school districts under the individualized education program (IEP) or care plan.

DOCUMENTATION REQUIREMENTS

General Requirements
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.

Additional documentation is required to be maintained in the recipient's medical record when billing for a medication. Refer to the Documentation and Record Keeping manual for physician administered drug documentation requirements.

REIMBURSEMENT AND CLAIM INSTRUCTIONS

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.

Reimbursement
The rate of payment for physician administered drugs, vaccines, and administration codes is limited to the lesser of the provider's usual and customary charge or the amount specified on the department's physician non-laboratory services fee schedule. If the procedure code is not listed in the fee schedule, the procedure is payable at 40 percent of the provider's usual and customary charge. Claims for vaccines that are available through the Vaccines for Children program pay at $0.

Physician administered drugs and vaccines provided by a nurse practitioner, clinical nurse specialist, or physician assistant are reimbursed at the same rate as a physician.

Vaccine Administration
South Dakota Medicaid covers vaccine administration. For recipients up to 18 years of age, any immunization administered in addition to the first (CPT code 90461) is considered an integral component of the initial immunization administration code (CPT code 90460) and will pay at $0.

Claim Instructions
Physician administered drugs, vaccines, and administration are billed on a CMS 1500 Claim Form with the exception of Outpatient Hospitals, and Inpatient Hospitals which must be billed on a UB-04 claim form. Please refer to our website for CMS 1500 and UB-04 claim instructions.

The vaccine code should be billed as 1 unit per vaccine; do not bill in milliliters. Flu vaccine claims do not require a physician or other licensed practitioner order. All other vaccines must include the ordering physician or other licensed practitioner's name and NPI number in block 17 and 17b of the claim form.

UB-04 Claims Documentation
An itemized invoice must be submitted with claims that include billed charges totaling a $100,000 or more for Revenue Codes 250-259, 630-636, and 890-899.

Hospitals are required to report vaccine administration charges under the revenue code 0771.

Vaccines for Children Claim Instructions
Providers must bill state supplied vaccines with the SL modifier.

REFERENCES

- Administrative Rule of South Dakota (ARSD)
  - 67:16:11:05.01. Rate of payment – Immunizations
  - 67:16:02:03. Rate of payment – (9)
  - 67:16:02:16. Billing requirements -- Modifier codes -- Provider identification numbers
- South Dakota Medicaid State Plan
- Code of Federal Regulations

QUICK ANSWERS

1. **Does a child/adult need a referral from their Care Management Provider for South Dakota Medicaid to cover a vaccine?**

   No, a referral is not needed for the administration of a vaccine.

2. **Can a recipient receive a vaccine at a pharmacy?**

   Yes, please refer to the Pharmacy Services manual for coverage, reimbursement, and claim instructions.

3. **Can a recipient acquire a physician administered drug through a pharmacy and take it to a physician or other licensed practitioner for administration?**

   No, physician administered drugs must not be billed to South Dakota Medicaid through the point of sale.

4. **If a recipient's primary health insurance requires a physician administered drug to be dispensed by a particular pharmacy, how should the drug be billed to South Dakota Medicaid?**

   South Dakota Medicaid does not cover physician administered drugs through the point of sale. The drug must be billed to South Dakota Medicaid on a CMS 1500 claim form.

5. **What reimbursement is available for vaccines acquired through the Vaccines for Children Program?**

   South Dakota Medicaid reimburses vaccines available through this program that are administered to recipients under age 19 at $0. The administration fee is reimbursed in accordance with the department's fee schedule.

6. **What vaccines are covered for individuals with limited Medicaid coverage?**

   All medically necessary vaccines that South Dakota Medicaid covers for full coverage recipients are covered for women in aid categories 79. Vaccines in the postpartum period for women in Aid category 79 are limited to vaccines administered during the inpatient stay. Medicaid will pay the co-payments and deductibles for recipients on aid category 73 if the vaccine is a Medicare part B covered service.

7. **Are vaccines included in an FQHC/RHC encounter payment?**

   Vaccines/immunizations and administration are factored into each provider's PPS rate and are reimbursed as part of the PPS per diem when furnished incidental to a reimbursable medical PPS encounter. It is recommended that providers screen a recipient's immunization status and administer appropriate vaccines when seeing a recipient for their Well-Child or Well-Adult visit. For purposes of data collection, it is required that immunizations provided during a PPS encounter be included on the claim for PPS reimbursement.

   FQHCs/RHCs are allowed to bill for vaccines/immunizations and the associated administration provided on a date of service when a billable medical encounter did not occur. Standalone vaccines/immunizations may not be billed under the FQHCs/RHCs billing NPI. FQHC/RHCs billing for standalone vaccines/immunizations must utilize/acquire a separate billing NPI under a group enrollment with associated servicing NPIs and bill accordingly. The servicing provider must be enrolled with South Dakota Medicaid. Standalone vaccines/immunizations and the associated administration code will be reimbursed on a fee for service basis. Vaccines/immunizations may not be administered on a separate day than an FQHC/RHC encounter for the purpose of increasing the provider's reimbursement. For more information please refer to the FQHC/RHC Services manual.

8. **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.

9. **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.