SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Healthy Connections MEDICAID

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MEDICAID BULLETIN

TO: **All Providers**

SUBJECT: Physician-administered Drugs (PAD) Billing Guidance

The South Carolina Department of Health and Human Services (SCDHHS) is reminding providers of its current policy located in the Physicians Services Provider Manual related to billing guidance for drugs or biologicals administered by physicians, hospitals, clinics or other qualified healthcare professionals.

Billing Guidance Policy
Providers billing for PAD in an office, clinic or other outpatient setting must report the National Drug Code (NDC) when using a drug-related Healthcare Common Procedure Coding System (HCPCS) code. The HCPCS code must include the correct NDC 5-4-2 format (11 digits total) and must be appropriate based on the HCPCS code to receive reimbursement from Medicaid. The NDC must be used on all claim submissions (e.g., electronic, Web Tool, CMS-1500 and UB-04 claim forms).

Providers must implement a process to record and maintain the NDC(s) of the drug(s) administered to the member, as well as the quantity of the drug(s) given.

For a drug-related HCPCS code to be reimbursable by SCDHHS, the manufacturer of the drug must participate in the federal Medicaid Drug Rebate Program defined by the Centers for Medicare and Medicaid Services. To determine whether the pharmaceutical manufacturer participates in the rebate program, providers must refer to the Drug Manufacturer Contacts listing. The first five digits of the NDC identify the manufacturer of the product.

Claims submitted without an NDC or with an invalid NDC will continue to be rejected, or payment may be recouped through post-payment review.

This policy is applicable for all providers billing for PAD. The policy will be added to all applicable manuals by Oct. 1, 2026, on the Provider Manual List page of the SCDHHS website.

Additional manuals being updated with PAD billing guidance:

- Clinics Services Manual
- Community Mental Health Services Manual
- Federally Qualified Health Center Services Provider Manual
- Hospital Services Manual
- Rural Health Clinic Services Provider Manual

South Carolina's Medicaid managed care organizations (MCOs) are responsible for the authorizations, coverage and reimbursement related to the services described in this bulletin for members enrolled in an MCO.

Providers should direct questions related to this bulletin to the Provider Service Center (PSC). PSC representatives can be reached at (888) 289-0709 from 7:30 a.m.-5 p.m. Monday-Thursday and 8:30 a.m.-5 p.m. Friday. Providers can also submit an online inquiry at https://www.scdhhs.gov/providers/contact-provider-representative.

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.

/s/
Eunice Medina