

Provider Update

Self-Administered Drugs cannot be Billed to Members

In accordance with Centers for Medicare & Medicaid Services regulations, Amerigroup* Community Care Medicare Advantage plans pay for drugs that usually are considered self-administered by the patient when such drugs are an integral component of a covered procedure or are directly related to a covered procedure. In these situations, the hospital may NOT bill the member for these types of drugs. The drugs, whether coded or uncoded with their charges, must be reported under the appropriate revenue code (cost center under which the hospital accumulates the costs for the drugs).

Examples:

An aspirin is given to treat chest pain.

A topical anesthetic is used prior to the insertion of a catheter.

If a hospital were to bill a member for the aspirin or topical anesthetic in these situations, it would be considered unbundling. Unbundling occurs when a claim is coded separately for procedures are considered to be part of the primary procedure. Amerigroup will request medical records when it appears that members are billed incorrectly for drugs that are an integral part of or directly related to procedures performed in the outpatient department of a hospital.

As previously communicated, Amerigroup requires hospitals to use the National Drug Code (NDC) when billing drugs. The NDC is required under Revenue Code 0636 or 0637 as part of the review to determine if the drug was part of the procedure performed. The NDC code also allows the member to seek reimbursement for the drug under his or her Medicare Part D benefit.

In situations where the member needs a prescription for medication to be used at home following the outpatient treatment, physicians and practitioners are encouraged to give written or electronic prescriptions to members rather than supplying the drug from the hospital pharmacy. The use of a network pharmacy is more cost-effective for the member and will lead to greater medication adherence. When this is not possible, the hospital will need to provide the member with an itemized statement, including the NDC, for the member to seek reimbursement under their Medicare Part D benefit.

Additional information regarding Medicare policy regarding self-administered drugs can be found:

CMS IOM Publication, 100-02, Chapter 15, Section 50.2



CMS IOM Publication, 100-04, Chapter 1, Section 60.4.2

To learn more please see [IOM CMS Publication, 100-04, Chapter 20, Section 30.3.](#)

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*In New Mexico, Amerigroup Community Care of New Mexico, Inc. In Texas, Amerigroup members in the Medicaid Rural Service Area are served by Amerigroup Insurance Company; all other Amerigroup members are served by Amerigroup Texas, Inc. In Washington, Amerigroup Washington, Inc.

Amerivantage is a DSNP plan with a Medicare contract and a contract with the State Medicaid program. In New Mexico: Amerivantage is an HMO with a Medicare contract. Enrollment in Amerivantage depends on contract renewal.