



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES
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Attention: South Dakota Medicaid Providers

From: South Dakota Medicaid

**Re: Not Otherwise Classified Codes, Supplies Refills, and Physician Administered
Drugs Billing Updates**

South Dakota Medicaid is notifying providers of program billing changes and clarifications related to not otherwise classified procedure codes, supplies refills, and physician administered drugs.

Not Otherwise Classified Codes Billing Guidance

Effective April 1, 2024, South Dakota Medicaid is requiring additional claim details for unlisted or not otherwise classified procedure codes.

Unlisted or not otherwise classified codes are only considered appropriate when a CPT or HCPCS code that accurately identifies an item, service or procedure performed does not exist. Effective April 1, 2024, when a provider bills an unlisted or not otherwise classified procedure code a description of the procedure must be indicated in Block 19 of the CMS 1500 form. Additional documentation may be required to be submitted as part of the claims review process upon request.

Detailed CMS 1500 claim form instructions are available on our [website](#). Additionally, codes requiring a prior authorization can be identified using the [Procedure Code Look-Up Tool](#) available on our website.

Supplies Refill Documentation and Billing Guidance

South Dakota Medicaid is clarifying our policy related to dispensing medical supplies to align with recent Medicare policy changes.

Current guidance regarding dispensing medical supplies states that requests for refills must come from the recipient or an authorized representative each time additional supplies are needed. In addition, automatically shipping supplies without an indication from the recipient or the recipient's authorized representative confirmation is not permitted.

Medicaid is clarifying that providers must maintain documentation indicating that the recipient or an authorized representative confirmed the need for the refill. Providers may call the recipient to verify a re-order is needed. Medicaid is also clarifying that dates of service for delivery of supplies are not

allowed to be sooner than 10 calendar days before the expected end of the current supply. When shipping supplies, providers must note “10-day shipping window” in block 19 of the CMS 1500 claim form.

Please refer to the [Durable Medical Equipment, Prosthetics, Orthotics and Supplies](#) manual for additional guidance regarding supplies.

JZ Modifier Billing Guidance

Effective April 1, 2024, South Dakota Medicaid is requiring that claims for physician administered drugs or biologicals from a single-dose vial or package must be reported with the JZ modifier if there are no discarded amounts in alignment with a recent Medicare policy change.

If one or more unit of the single-dose vial or package was discarded, the provider must submit one claim line indicating the units given to the patient and a second line with the JW modifier and the units discarded. The line with the JW modifier pays at zero and recipients may not be billed for the discarded drugs.

To submit claims for a waste-required claim, submit two complete claim lines.

- Claim line #1:
 - HCPCS code and number of units for drug given
 - No modifier

- Claim line #2:
 - HCPCS code and number of units for drug wasted
 - JW modifier to indicate waste

To submit claims for a non-discarded claim, submit one complete claim line.

- HCPCS code and number of units for drug given
- JZ modifier to indicate no waste

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 vial or containers. Refer to the [Physician Administered Drugs, Vaccines and Immunizations](#) manual for additional guidance regarding physician administered drugs.

Sincerely,

South Dakota Medicaid