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Strong Families - South Dakota's Foundation and Our Future

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Re: IHS high dollar prescriptions

Effective April 1, 2020 South Dakota Medicaid will reimburse “high dollar” outpatient prescription drug claims submitted through the pharmacy point of sale system (POS) using the same reimbursement methodology as non-IHS pharmacies.

For purposes of IHS pharmacy claims “high dollar” is any claim where standard reimbursement would exceed the encounter rate (ex. \$455) in effect for that date of service.

In order to process the claim at the standard reimbursement rate the IHS pharmacy must enter ‘09’ in NCPDP field ‘420-DK Submission Clarification Code’ (SCC) at the time of claim submission. Any claim submitted with SCC = 9 will calculate payment based on the standard payment algorithm. For example, a claim for amoxicillin that is submitted with SCC = 9 will pay approximately \$15, not the \$455 encounter rate. The Medicaid POS cannot process both payment scenarios and reimburse the higher amount so it is the responsibility of the IHS pharmacy to ensure the SCC field is utilized correctly. Failure to submit the correct SCC may result in lower reimbursement.

Questions regarding how to submit SCC = 9 must be directed to your software support staff.

High dollar claims will not be subject to the one fee per recipient per day limitation.

Claims submitted with SCC = 9 must be submitted with the actual acquisition cost of the IHS pharmacy (ex. Federal Supply Schedule price).

Drugs administered during a patient’s inpatient hospital stay are reimbursed as part the inpatient hospital encounter rate and must not be submitted via POS. Inpatient drug claims submitted through the POS are subject to audit and recovery.

Mike Jockheck, RPh
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