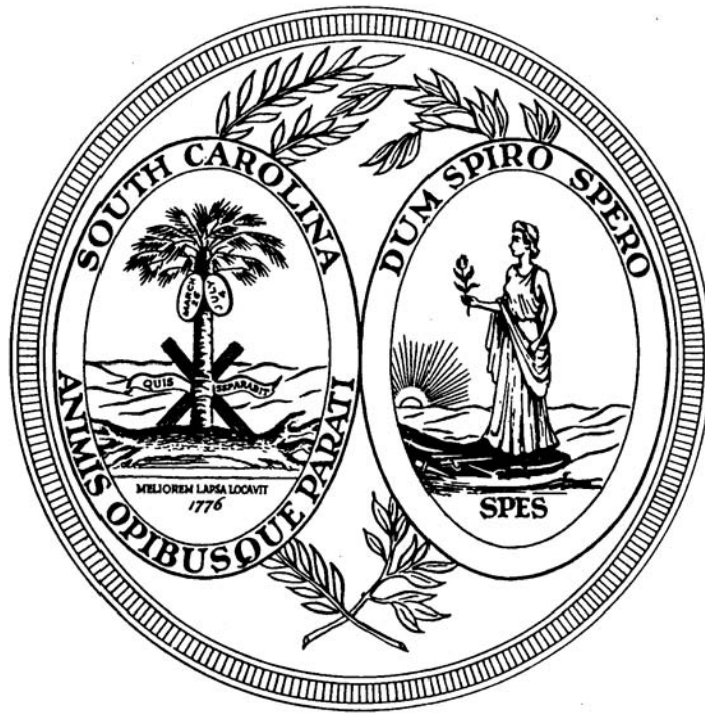


SOUTH CAROLINA
DEPARTMENT OF HEALTH AND
HUMAN SERVICES



MEDICAID PROVIDER MANUAL

PHARMACY SERVICES

February 1, 2005
Updated January 1, 2010

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Post Office Box 8206
Columbia, South Carolina 29202-8206
www.dhhs.state.sc.us

January 11, 2005

PHARM 05-02

MEDICAID BULLETIN

TO: Pharmacy Services Providers

SUBJECT: Medicaid Policy Manual for Pharmacy Services Providers

The enclosed revised Department of Pharmacy Services Medicaid Provider Manual is effective February 1, 2005, and includes all previous HIPAA changes and Medicaid policy bulletins. This manual is to be used for program information and requirements, billing procedures, and provider services guidelines.

In addition to inclusion of policy changes specific to the Pharmacy Services program area, the new provider manuals for all Medicaid programs have been reformatted to give them a more consistent, standardized layout and to improve navigation and readability. Headings for each subsection appear on the left side of the page, with the corresponding information on the right. "Chapters" are now called "sections," and the numbering system has been simplified.

The revised manual is organized as follows, with each section having its own table of contents:

Section 1, **General Information and Administration**, contains an overview of the South Carolina Medicaid program, as well as information about record retention, documentation requirements, utilization review, Program Integrity, and other general Medicaid policies.

Section 2, **Policies and Procedures**, describes policies and procedures specific to the Pharmacy Services program.

Section 3, **Billing Procedures**, contains billing information that is common to all South Carolina Medicaid programs, as well as program-specific guidelines for claims filing and processing.

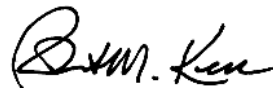
Section 4, **Codes**, provides the **National Council for Prescription Drug Programs (NCPDP) Error Code Listing**.

Section 5, **Administrative Services**, contains general information, contact information for DHHS state and county offices, and examples of all forms referenced throughout the manual.

The **Appendix** provides detailed information regarding the Alternate Reimbursement Methodology (ARM) Program.

The enclosed compact disc contains a copy of the manual in Portable Document Format (pdf). To access the file, you will need Adobe Acrobat Reader software, which is pre-installed on most computers and also available for free download at www.adobe.com/support. The manual is also available on the DHHS website. This policy manual is not subject to copyright regulations and may be reproduced in its entirety.

If you have any questions regarding this provider manual, please contact Department of Pharmacy Services staff at (803) 898-2876. Thank you for your continued support of the South Carolina Medicaid program.



Robert M. Kerr
Director

RMK/bgav

Enclosure

NOTE: To receive Medicaid bulletins by email or to sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions:
<http://www.dhhs.state.sc.us/ResourceLibrary/E-Bulletins.htm>

GENERAL TABLE OF CONTENTS

SECTION 1 GENERAL INFORMATION AND ADMINISTRATION

SOUTH CAROLINA MEDICAID PROGRAM	1
RECORDS / DOCUMENTATION REQUIREMENTS.....	13
REIMBURSEMENT.....	19
MEDICAID PROGRAM INTEGRITY	27
MEDICAID ANTI-FRAUD PROVISIONS / PROVIDER EXCLUSIONS / SUSPENSIONS	31

SECTION 2 POLICIES AND PROCEDURES

PROGRAM DESCRIPTION.....	1
PROGRAM REQUIREMENTS	7
DRUG UTILIZATION REVIEW PROGRAM.....	23
PRESCRIBING/DISPENSING LIMITATIONS.....	27
PAYMENT METHODOLOGY INFORMATION	41
SPECIAL GROUPS/ISSUES	45
RECORDS REQUIREMENTS.....	61
POSTPAYMENT REVIEWS	65

SECTION 3 BILLING PROCEDURES

GENERAL INFORMATION.....	1
CLAIM FILING OPTIONS.....	3
CLAIM PROCESSING.....	19

SECTION 4 PROCEDURE CODES

NCPDP ERROR CODE LISTING.....	1
-------------------------------	---

SECTION 5 ADMINISTRATIVE SERVICES

GENERAL INFORMATION.....	1
MEDICAID FORMS AND PUBLICATIONS.....	5
DEPARTMENT OF HEALTH AND HUMAN SERVICES COUNTY OFFICES.....	7

FORMS

MANAGED CARE SUPPLEMENT

THIRD-PARTY LIABILITY SUPPLEMENT