

## Outpatient Drug Carve Outs

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### Physician Administered Injectable Drugs

Policy: [Medicaid Provider Manual](#) (MPM) Chapter “Medicaid Health Plans” Section 1.2 Services Excluded From MHP Coverage but Covered by Medicaid

MPM Chapter “Pharmacy” Section 14.14 Physician Administered Injectable Drugs

[MSA 18-02](#)

[MSA 15-19](#)

Outpatient Physician-Administered Drugs and Biological Products:

Effective July 1, 2017 MDHHS identified particular physician administered drugs that are carved out from the Medicaid Health Plan coverage requirements and are there for the responsibility of fee for service Medicaid. When a drug considered a carve out is provided in a physician’s office to a Medicaid beneficiary enrolled in a managed care plan the invoice for the drug should be billed to fee for service Medicaid pharmacy plan for proper reimbursement. Pharmacy providers may NOT dispense a physician-administered injectable drug directly to the beneficiary. To ensure the content and integrity of the drug administered to the beneficiary, the drug must be delivered from the pharmacy directly to the physician for administration. The method of delivery of the injectable drug to the physician should be agreed upon by the pharmacy and physician. The refrigeration, stabilization, and other storage and handling requirements of the drug must be met during delivery and at all points of the transaction. The costs associated with the delivery of the injectable drug to the physician are not reimbursable by MDHHS. Reimbursement of physician administered injections not carved out and any other services provided at the time of the injection in the outpatient hospital setting to a beneficiary that is enrolled in a managed care plan is the responsibility of the plan.

The list of Medicaid Health Plan Carve Outs is available on the MDHHS fee schedule at the link below. The Medicaid Health Plan Pharmacy Program Carve-out is only for pharmacy point of sale.

- [Medicaid Health Plan Carve Out](#)