Pharmacy Delivery Method for Physician-Administered Drugs

Information posted August 28, 2015

Providers dispensing physician-administered drugs in an office or outpatient setting for Medicaid Fee-For-Service (FFS) and Medicaid Managed Care Organization (MCO) clients can utilize the “white bagging” delivery method, in which the provider submits prescriptions to pharmacies and the prescription is shipped or mailed to the provider’s office. This delivery method is called “white-bagging.”

Providers should use the following steps for this delivery method:

1. The treating provider identifies a Medicaid-enrolled client;
2. The treating provider or treating provider's agent sends a prescription to a Texas Medicaid-enrolled pharmacy and obtains any necessary prior authorizations;
3. If any prior authorization is approved, the dispensing pharmacy fills the prescription and ships an individual dose of the medication overnight, in the name of the Medicaid client, directly to the treating provider; and
4. The treating provider administers the medication to the Medicaid client in an office or outpatient setting. The provider bills for an administration fee and any medically necessary office-based evaluation and management service provided at time of administration. The provider should not bill Medicaid for the drug.

The pharmacy contacts the provider each month, prior to dispensing any refills, to ensure that the patient was administered all previously dispensed medication. Auto-refills are not allowed.

These medications cannot be used for any other patient and cannot be returned to the pharmacy for credit.

**Note:** Physicians using this delivery method will not have to purchase the physician-administered drug, therefore, the physician is allowed to administer the drug and should only bill for the administration of the drug.

For more information, call the TMHP Contact Center at 1-800-925-9126.