
To: AmeriHealth Caritas Louisiana Providers

Date: October 1, 2026

Subject: [Informational Bulletin 25-32](#): Physician Administered Drugs (Rebate)
(Revised September 23, 2026)

Informational Bulletins that summarize policies and/or procedures are intended for quick reference and are accurate on the date they are issued.

Medicaid Provider Issue Resolution

The MCO manual update that was published on **April 23, 2025** limits physician-administered drugs to only those eligible for rebates pursuant to CMS clarification found in 89 FR 79020. This requirement should apply only to drug claims with direct reimbursement. LDH will reflect this change in the next update to the MCO manual as soon as possible.

Under 42 C.F.R. § 447.502, a drug is directly reimbursed when payment is made for the drug alone or when the drug is included in a single inclusive payment and: (1) the drug, charge, and number of units are separately identified on the claim; (2) the payment includes an amount directly attributable to the drug; and (3) the amount attributable to the drug is based on a reimbursement methodology included in the applicable section of the Medicaid State Plan. The physician administered drugs provided in an outpatient hospital setting that meet the definition of a covered outpatient drug (COD) are subject to applicable Medicaid Drug Rebate Program requirements.

Physician Administered Drugs

The MCO shall only cover medically necessary rebate eligible physician-administered drugs for claims with direct reimbursement. If a drug and its cost can be separately identified on a bundled claim for payment, and the identified amount attributable to the drug is made solely for the drug (and no other services), it can be considered direct reimbursement. The MCOs shall cover all drugs on the Louisiana Medicaid Fee-for-service (FFS) fee schedules as a medical benefit. The MCO may also elect to cover these drugs in the pharmacy benefit. For those rebate eligible drugs that are not on the Louisiana Medicaid FFS fee schedules, the MCO may cover them in either the medical benefit, the pharmacy benefit, or both.

For full details, please see [Informational Bulletin 25-32](#).

Questions regarding this message should be directed to AmeriHealth Caritas Louisiana Provider

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