OFFICE OF LEGISLATIVE RESEARCH
Objective Research for Connecticut's Legislature

ResearchReport

Medicaid Pharmacist Billing for Select Services

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Issue

Does Connecticut's Medicaid program allow pharmacists to bill for services listed in PA 25-167, § 7? Are there statutory provisions that preclude them from doing so? Do Medicaid programs in other northeastern states allow pharmacists to bill for these services?

Summary

PA 25-167, § 7, creates a working group to study pharmacists' compensation for providing certain health care services, including vaccine administration, HIV-related tests, influenza-related tests, and FDA-approved contraceptive devices or products. While Connecticut's Medicaid program generally covers these services when performed by other providers, it does not allow pharmacists to bill directly for them. Pharmacists are not enrolled as Medicaid providers (though pharmacies are) and cannot individually bill the state's Medicaid program for services.

Federal law requires state Medicaid programs to cover certain services ("mandatory services") and states may cover additional services ("optional services"). States establish covered services and provider requirements in their Medicaid state plan, a document that is amended frequently and subject to federal approval.

Within this context, state law does not explicitly prohibit the Medicaid program from reimbursing pharmacists for these services. (See OLR Report 2025-R-0121 for information on laws authorizing pharmacists to provide these services.) According to Department of Social Services staff, allowing pharmacists to bill for these services would require system changes and result in costs.

Additionally, there would be reimbursement costs for these new billable services, though these costs may be offset by reduction in billing by other provider types.

Medicaid programs in three northeastern states vary in their policies. New Jersey does not pay pharmacists for providing HIV- and influenza-related tests, but it does pay pharmacists for counseling and consultation related to self-administered hormonal contraceptives. Pennsylvania reimburses pharmacists for vaccines and flu tests. Vermont reimburses pharmacists for vaccines.

Medicaid Pharmacist Billing in Select States

You asked for a comparison with Medicaid billing practices in certain other northeastern states (Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont). Unlike Connecticut, most other states in the country use some form of managed care to deliver Medicaid services for some portion of their Medicaid population. Medicaid managed care organizations may have separate or additional billing policies than those established by state Medicaid agencies.

Three of the eight northeastern states we contacted responded, as described below. We will update this report with any additional information we receive.

New Jersey

According to staff from New Jersey's Department of Human Services, the state pays a pharmacy claim for vaccine administration using a reimbursement methodology for the covered drug plus a $10.92 professional fee paid to the pharmacy. New Jersey does not pay pharmacists for providing HIV- or influenza-related tests.

The state does not directly reimburse pharmacists for contraceptive devices, but it does provide a $20.60 administration fee to pharmacists that provide education and consultation related to self-administered hormonal contraceptives. Specifically, under a standing order, the state allows pharmacists to give self-administered hormonal contraceptives (pills, vaginal rings, patches, and injections) to Medicaid enrollees without an individual prescription. Generally, pharmacists must provide education and consultation at the initial dispensation, three months after the initial dispensation, and annually thereafter to ensure safe use. In order to furnish these services, pharmacists must complete a training program (N.J. Rev. Stat. § 45:14-67.9; N.J. Admin. Code § 13:39-14.1 et seq.).

Pennsylvania

Staff from Pennsylvania's Department of Human Services provided a February 13, 2024, Medical Assistance (MA) bulletin that describes the program fee schedule for services rendered by pharmacists for MA beneficiaries. The bulletin describes a $10 MA fee for various vaccines (e.g., influenza, Hepatitis A, DTaP (diphtheria, tetanus, and pertussis), MMRV (measles, mumps, rubella, and varicella)) and a $6.09 MA fee for various flu-related tests administered by pharmacists, in addition to other services.

Vermont

According to staff from the Department of Vermont Health Access (DVHA), Vermont's Medicaid program reimburses pharmacists for providing vaccines at the same rate set in the state's reimbursement methodology ("Resource-Based Relative Value Scale") for non-primary care providers ($13.97 in 2019). A Medicaid waiver allows DVHA to set provider rates regardless of the Medicaid State Plan (i.e. the department may change these rates without seeking federal approval to amend their Medicaid state plan).

Staff indicated that the department does not have a specific reimbursement methodology set for pharmacists to provide the other services. For FDA-approved contraceptive devices or products, the pharmacy is paid a dispensing fee in the same way as when a separate provider writes the prescription. Staff noted that the state's Medicaid program reimburses pharmacists for providing certain other services (tobacco cessation and, in limited cases, medication therapy management).

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