



To: TennCare MCOs
From: Johnny Lai, Director of Managed Care Operations
Date: January 20, 2026
Subject: Grace Period for Reimbursement of Oral Medication Administration

TennCare is providing a grace period regarding the reimbursement of oral medication administration. Oral medication administration will be reimbursable through the end of the 2025-2026 academic year (i.e., no longer reimbursable for claims with a date of service after May 31, 2026). This grace period will provide school billing vendors with additional time to reconfigure their billing systems for compliance and will provide school districts with additional time to manage their budgets. Given that TennCare's MCOs reimburse for school-based services up front and conduct retrospective audits of claims submitted by providers to assure compliance with TennCare's school-based services billing requirements, it is incumbent on school districts, school-based providers, and school-based services billing vendors to discontinue submitting claims for the reimbursement of oral medication administration by May 31, 2026. Claims for the reimbursement of oral medication administration submitted with dates of service of June 1, 2026, and beyond will be subject to recovery of payment based on a post payment audit.

In the September 2025 revision of TennCare's School-based Services (SBS) Billing Manual, a policy change was announced that TennCare would no longer reimburse for oral medication administration. This policy change was made to align reimbursement policy with TennCare's existing practices outside of the school setting (e.g., a nurse initiating a home visit solely to administer oral medication is not reimbursable; a home health nurse may provide oral medication amongst several services performed during the home visit to which reimbursement would be paid in a bundled payment arrangement).

TennCare officially expanded its reimbursement of health services in the school setting (place of service 03) to include nursing services in July 2021 with the payment arrangement of a global encounter code (CPT code 99211, POS 03), which is billable once per day and includes all services received. TennCare will continue to reimburse for non-oral medication administration and other commonly delivered nursing services in the school setting as outlined in [TennCare's School-based Services \(SBS\) Billing Manual](#).

Effective for claims with dates of service of June 1, 2026, and beyond, TennCare's grace period will end and reimbursement for oral medication administration will be disallowed. Oral medication includes pills, tablets, capsules, syrups, solutions, buccal

(administered inside the cheek), sublingual (administered under the tongue), and orally disintegrating tablets (dissolves on the tongue). Reimbursement solely for oral medication administration and in the absence of other service provision is disallowed including in the event of acute conditions such as a seizure, diabetic crisis, hypertensive crisis, severe allergy, etc. Oral medication does not include medication administered via oral inhalation as the route of medication administration is through the lungs and inhalers are grouped with nebulizer treatments as a billable service. In addition, nasogastric (NG) and orogastric (OG) tubes are considered the same category as gastrostomy (G) tubes, and all tube feeds are billable services.