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**North Carolina  
Medicaid Pharmacy  
Newsletter**

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## **Pro-Air HFA Moves to Preferred Status on April 1, 2013**

This is a reminder that ProAir HFA will be a preferred agent in the Beta Adrenergic Short Acting Inhaler drug class on April 1, 2013. In addition, Ventolin HFA inhaler will become non-preferred on this date. You can review the Preferred Drug List at <http://www.ncdhhs.gov/dma/pharmacy/index.htm>.

## **Announcement of Monitoring Parameters Associated with the *Hemophilia Specialty Pharmacy Program Policy***

The N.C. Division of Medical Assistance (DMA) communicated in the [January 2013 Pharmacy Newsletter](#) that information regarding the selection of the initial monitoring requirements associated with the *Hemophilia Specialty Pharmacy Program* policy would be forthcoming. Below are the monitoring parameters that have been selected for the initial monitoring quarter, April to June 2013. These parameters must be submitted to Community Care of North Carolina (CCNC) by July 31, 2013.

1. Dispensed hemophilia drugs per beneficiary (reported via a Microsoft Excel template provided by CCNC)
2. Provided supplies and other hemophilia-related services (i.e. nursing care) per beneficiary (reported via a Microsoft Excel template provided by CCNC)
3. Assay management summary per beneficiary (reported via a Microsoft Excel template provided by CCNC)
4. Report of adverse event(s) and level of care needed to treat/resolve event(s) for each beneficiary (reported via submission of the entire Monthly Contact Record for each beneficiary)

CCNC will be contacting individual pharmacy providers to provide the Microsoft Excel-based templates that will be used for the submission of quarterly monitoring reports. If you have not received this information by March 22<sup>nd</sup>, please contact Trista Pfeifferberger, Assistant Director of Pharmacy Programs with CCNC, at 919-926-3923 or [tpfeifferberger@n3cn.org](mailto:tpfeifferberger@n3cn.org).

## **Delay in Non-Enrolled Prescriber Edit**

The N.C. Division of Medical Assistance (DMA) communicated in the December 2012 Medicaid Bulletin that an edit would be implemented on April 1, 2013 to deny pharmacy claims written by non-enrolled prescribers. This action has been delayed until after the July 1, 2013 transition to the new MMIS system. A new effective date will be communicated in a future Medicaid bulletin.

DMA continues to strongly encourage all physician assistants and nurse practitioners to enroll as Medicaid providers. It is essential that these provider types enroll to ensure continued prescription coverage for their Medicaid and N.C. Health Choice (NCHC) patients when the new pharmacy edit goes into effect. Residents who are not authorized to enroll as Medicaid or NCHC providers – e.g., interns and residents at hospitals, (house staff at teaching hospitals), who order a prescription for a Medicaid beneficiary on behalf of the hospital – could apply the NPI of the hospital or the NPI of the supervising physician to the claim. Either of these prescriber identifiers will be accepted for resident prescribers when this change goes into effect.

## **NC DHHS Secretary Wos Calls for Immediate Freeze on Old Medicaid Computer System**

The N.C. Department of Health and Human Services (DHHS) Secretary Aldona Wos, M.D., has ordered an immediate stop to any changes to the state's 35-year old Medicaid computer system that are not mission-critical. In a letter to Hewlett Packard Enterprise Services (HPES), the vendor operating the current Medicaid billing system, Wos instructed the company to "immediately stop the implementation of any changes" as the department focuses on transitioning to its replacement Medicaid Management Information system (MMIS).

"We have a responsibility to patients, providers and the taxpayers of North Carolina to put our limited resources where they are needed most," Wos said. "In the coming weeks and months, our department's priority is to ensure the transition from our current Medicaid computer system to the replacement MMIS is smooth, efficient and on time."

The legacy computer system currently processes 88 million Medicaid claims annually on behalf of more than 1.5 million Medicaid enrollees, and writes checks totaling more than \$11 billion to 70,000 health service providers throughout the state. Like most computer systems, including home computers, the current Medicaid computer system requires software patches and other updates. New Medicaid policies and rates account for much of the changes, ensuring Medicaid regulations are followed and that providers are paid correctly.

As DHHS prepares to switch to the replacement MMIS, the old and new computer systems must be in sync as much as possible. Further emphasizing its commitment to a successful transition, DHHS has enlisted outside evaluators to determine whether the replacement MMIS faces any impediments to successful, punctual completion.

Secretary Wos said the only changes to the older system she will approve will be those "that are absolutely necessary to be sure people are getting the services they need and providers are being paid."

## **Maintaining the Security and Accessibility of Records after a Provider Agency Closes**

All N.C. Medicaid and N.C. Health Choice (NCHC) providers are responsible for maintaining custody of the records and documentation to support service provision and reimbursement of services by the N.C. Division of Medical Assistance (DMA) for at least six years. See 10A NCAC 22F.0107 and Section 7 of the N.C. Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement. The Agreement is part of the enrollment application and may be accessed from the NCTracks Provider Enrollment Webpage.

Mental Health, Developmental Disabilities, and Substance Abuse (MH/DD/SA) services records are subject to additional retention and management requirements, including those mandated by S.L. 2009-451 (Section 10.68A(a)(5)(j) and (k) for Community Support and Other MH/DD/SA Services and Section 10.68A(a)(7)(h) and (i) for MH Residential Services). MH/DD/SA providers should refer to guidance from Implementation Updates No. 79, No. 72, No. 62, No. 60, and No. 58 for more information.

Documentation that is required to be maintained by all providers includes clinical service records, billing and reimbursement records, and records to support staff qualifications and credentials (personnel records).

Clinical service records include, but are not limited to:

- Diagnostic testing results (X-rays, lab tests, EKGs, psychological assessments, etc.)
- Records from other providers used in the development of care plans
- Nurses' notes or progress notes
- Service orders that authorize treatment
- Treatment service or treatment plans
- Billing and reimbursement records should include recipient demographic information.

Providers are required to arrange for continued safeguarding of the above-described records in accordance with the record retention guidelines. Failure to protect consumer or staff privacy by safeguarding records and ensuring the confidentiality of protected health information is a violation of the Health Insurance Portability and Accountability Act (HIPAA) and NCGS § 108A-80 and may be a violation of the North Carolina Identity Theft Protection Act. Violations will be reported to the Consumer Protection Section of the N.C. Attorney General's Office, the Medicaid Investigations Unit of the N.C. Attorney General's Office and/or the U.S. DHHS Office of Civil Rights, as applicable. N.C. Medicaid Bulletin February 2013 20

The following sanctions, penalties, and fees may be imposed for HIPAA violations:

- Mandatory investigation and penalties for noncompliance due to willful neglect
- Willful neglect: \$50,000 up to \$1.5 million (\$10,000 up to \$250,000 if corrected within 30 days)
- Enforcement by the State Attorney General along with provisions to obtain further damages on behalf of the residents of the State in monetary penalties plus attorney fees and costs as provided for by the Health Information Technology for Economic and Clinical Health (HITECH) Act.

A provider's obligation to maintain the above-described records is independent from ongoing participation in the N.C. Medicaid or NCHC programs and extends beyond the expiration or termination of the Agreement or contract. See 10A NCAC 22F.0107 and Section 8 of the DHHS Provider Administrative Participation Agreement. Provider records may be subject to post-payment audits or investigations after an agency closes. Failure to retain adequate and accessible documentation of services provided may result in recoupment of payments made for those services, termination or suspension of the provider from participation with the N.C. Medicaid or NCHC programs and/or referral to the US DHHS Office of Inspector General for exclusion or suspension from federal and state health care programs.

If another provider takes over the functions of a closing entity, maintenance of the closing entity's records for the applicable recipients may be transferred to the new provider, if the new provider agrees to accept custody of such records in writing and a copy of this agreement is provided to DMA upon request. When custody of records is not transferred, the closing providers should send copies of transitional documentation to the providers who will be serving the recipient for continuity of care. Consumer authorization should be obtained as necessary. Copies of records may be provided to the recipient directly for coordination of care.

DMA must be notified of changes in provider enrollment status, including changes in ownership and voluntary withdrawal from participation in the N.C. Medicaid and NCHC programs, as

indicated on the NCTracks Reporting a Provider Change Webpage. Providers who anticipate closure are required to develop and implement a records retention and disposition plan. The plan must indicate how the records will be stored, the name of the designated records custodian, where the records will be located, and the process to fulfill requests for records. Information must be included on how recipients will be informed of the contact information and the process to request their records. The plan should also designate retention periods and a records destruction process to take place when the retention period has been fulfilled and there is no outstanding litigation, claim, audit or other official action. The plan should be on file with the records custodian.

### Updated Federal Upper Limit Reimbursement List

There are certain drugs that have been identified for which the Federal Upper Limit (FUL) reimbursement rate does not cover the cost of the drug. Medicaid pharmacy programs are required to reference this reimbursement information when pricing drug claims. In order to receive adequate reimbursement, pharmacy providers may use the DAW1 override to override the FUL reimbursement rate for the drugs listed on the FUL list until the FUL rate has been adjusted to adequately cover the cost of the drug.

As indicated in previous communications, use of the *DAWI* override code is being monitored. A claim submitted for more than the State Maximum Allowable Cost (SMAC) rate on file may lead to an identifiable overpayment. Any difference between the SMAC rate on file for the date of service and the actual rate applied to the claim (*if higher*) may be considered an overpayment and subject to recoupment.

NDC	DRUG NAME
00054003721	CLARITHROMYCIN 500 MG TABLET
00054302802	ACETYLCYSTEINE 20% VIAL
00093075701	PIROXICAM 20 MG CAPSULE
00093075705	PIROXICAM 20 MG CAPSULE
00143211205	DOXYCYCLINE HYCLATE 100 MG TABS
00143314150	DOXYCYCLINE HYCLATE 50 MG CAPS
00143314205	DOXYCYCLINE HYCLATE 100 MG C
00143314250	DOXYCYCLINE HYCLATE 100 MG CAPS
00168000215	TRIAMCINOLONE 0.5% CREAM
00168000315	TRIAMCINOLONE 0.025% CREAM
00168000380	TRIAMCINOLONE 0.025% CREAM
00168000415	TRIAMCINOLONE 0.1% CREAM
00168000416	TRIAMCINOLONE 0.1% CREAM
00168000480	TRIAMCINOLONE 0.1% CREAM
00168000615	TRIAMCINOLONE 0.1% OINTMENT
00168000616	TRIAMCINOLONE 0.1% OINTMENT
00168000680	TRIAMCINOLONE 0.1% OINTMENT
00168004046	BETAMETHASONE VA 0.1% CREAM
00168005515	BETAMETHASONE DP 0.05% CRM
00168005546	BETAMETHASONE DP 0.05% CRM

00168013460	FLUOCINONIDE 0.05% SOLUTION
00168020230	CLINDAMYCIN PH 1% GEL
00168025815	CLOTRIMAZOLE-BETAMETHASONE CAPS
00168025846	CLOTRIMAZOLE-BETAMETHASONE CAPS
00168031002	DESONIDE 0.05% LOTION
00168031004	DESONIDE 0.05% LOTION
00168038360	METRONIDAZOLE 0.75% LOTION
00185072401	CARISOPRODOL COMPOUND TAB
00185072405	CARISOPRODOL COMPOUND TAB
00228206710	OXAZEPAM 10 MG CAPSULE
00228206910	OXAZEPAM 15 MG CAPSULE
00378135501	TRIAMTERENE-HCTZ 75-50
00378135505	TRIAMTERENE-HCTZ 75-50
00378425001	DOXEPIN 50 MG CAPSULE
00378537501	DOXEPIN 75 MG CAPSULE
00378850091	CLARITHROMYCIN 500 MG TABLET
00406895901	DEXTROAMPHETAMINE 10 MG TAB
00472016315	NYSTAIN 100,000 UNIT/GM CREAM
00472016330	NYSTAIN 100,000 UNIT/GM CREAM
00472016615	NYSTAIN 100,000 UNIT 15GMS
00472016630	NYSTAIN 100,000 UNITS 30GMS
00472037915	CLOTRIMAZOLE-BETAMETHASONE CRM
00472037945	CLOTRIMAZOLE-BETAMETHASONE CRM
00472080302	DESONIDE LOTION 0.05%
00472080304	DESONIDE 0.05% LOTION
00527142635	OXYCODONE CONC 20 MG/ML SOLN
00527142636	OXYCODONE CONC 20 MG/ML SOLN
00555095302	DEXTROAMPHETAMINE 10 MG TAB
00574723412	PHENADOZ 25 MG SUPPOSITORY
00591081085	SILVER SULFADIAZINE 1% CREAM
00591544050	DOXYCYCLINE HYCLATE 100 MG CAPS
00591555305	DOXYCYCLINE HYCLATE 100 MG TABS
00591578701	NORTRIPTYLINE 25MG CAP
00591578705	NORTRIPTYLINE HCL 25 MG CAP
00591578710	NORTRIPTYLINE HCL 25 MG CAP
00603459315	METHYLPREDNISOLONE 4MG D/P
00603459321	METHYLPREDNISOLONE 4 MG TABL
00603781874	NYSTATIN 100,000
00603781878	NYSTATIN 100,000 UNIT/GM CREAM
00713053612	PROMETHEGAN 12.5 MG SUPPOS
00713063986	HALOBETASOL PROP 0.05% OINTM
00781100801	TRIAMTERENE-HCTZ 75-50

00781100805	TRIAMTERENE-HCTZ 75-50
00781107101	METHAZOLAMIDE 50 MG TABLET
00781169501	ISOSORBIDE DN 20 MG TABLET
00781169510	ISOSORBIDE DN 20 MG TABLET
00781196160	CLARITHROMYCIN 250 MG TABLET
00781196260	CLARITHROMYCIN 500 MG TABLET
17478028310	GENTAK 3 MG/ML EYE DROPS
24208058060	GENTAMICIN OPTH SOLN
24208058064	GENTAMICIN 3 MG/ML EYE DROPS
24208067004	SULFACETAMIDE 10% EYE DROPS
29033001301	PIROXICAM 20 MG CAPSULE
29033001305	PIROXICAM 20 MG CAPSULE
43538051012	GENADUR NAIL LACQUER
43598021040	SSD 1% CREAM
43598021050	SSD 1% CREAM
45802002146	BETAMETHASONE DP 0.05% LOT
45802004811	NYSTATIN
45802004835	NYSTATIN OINTMENT
45802006405	TRIAMCINOLONE 0.1% CREAM
45802006435	TRIAMCINOLONE 0.1% CREAM
45802006436	TRIAMCINOLONE 0.1% CREAM
45802006535	TRIAMCINOLONE 0.5% CREAM
45802042235	DESONIDE 0.05% CREAM
45802042237	DESONIDE 0.05% CREAM
48102010101	METHAZOLAMIDE 50 MG TABLET
49884024601	CARISOPRODOL COMPOUND TABLET
49884024605	CARISOPRODOL COMPOUND TABLET
50111033301	METRONIDAZOLE 250 MG TABLET
50111033401	METRONIDAZOLE 500 MG TABLET
50111033402	METRONIDAZOLE 500 MG TABLET
50383026760	CLOBETASOL 0.05% CREAM
51672125301	FLUOCINONIDE 0.05% CREAM
51672125302	FLUOCINONIDE 0.05% CREAM
51672125303	FLUOCINONIDE 0.05% CREAM
51672125304	FLUOCINONIDE 0.05% CREAM
51672125903	CLOBETASOL 0.05% OINTMENT
51672126301	NYSTATIN-TRIAMCINOLONE CREAM
51672126302	NYSTATIN-TRIAMCINOLONE CREAM
51672126303	NYSTATIN-TRIAMCINOLONE CREAM
51672127201	NYSTATIN-TRIAMCINOLONE OINT

51672127202	NYSTATIN-TRIAMCINOLONE OINTM
51672127203	NYSTATIN-TRIAMCINOLONE OINTM
51672127304	FLUOCINONIDE 0.05% SOLUTION
51672128003	DESONIDE 0.05% CREAM
51672128202	TRIAMCINOLONE 0.1% CREAM
51672128901	NYSTATIN 100,000 UNIT/GM CREAM
51672128902	NYSTATIN 100,000 UNIT/GM CREAM
51672129201	HYDROCORTISONE VAL 0.2% OINT
51672129203	HYDROCORTISONE VAL 0.2% OINT
51672129206	HYDROCORTISONE VAL 0.2% OINT
51672404709	CARBAMAZEPINE 100 MG/5 ML SU
51672404801	CLOTRIMAZOLE-BETAMETHASONE CREAM
51672404806	CLOTRIMAZOLE-BETAMETHASONE CREAM
51672411606	METRONIDAZOLE TOPICAL 0.75% GEL
53489011905	DOXYCYCLINE HYCLATE 100 MG CAP
53489012002	DOXYCYCLINE HYCLATE 100 MG TABLET
53489012005	DOXYCYCLINE HYCLATE 100 MG TABLET
59746000103	METHYLPREDNISOLONE 4 MG DOSE
59762372802	CLINDAMYCIN PH 1% SOLUTION
60758018805	GENTAMICIN 3 MG/ML EYE DROPS
61314063136	NEOMYC-POLYM-DEXAMET EYE OINTMENT
61314063305	GENTAMICIN 3MG/ML EYE DROPS (3%)
61314064305	TOBRAMYCIN 0.3% EYE DROPS
61314070101	SULFACETAMIDE 10% EYE DROPS
64679094901	CLARITHROMYCIN 500 MG TABLET
67405011045	METRONIDAZOLE 0.75% CREAM
68382076214	CLARITHROMYCIN 500 MG TABLET
68462034737	OXYCODONE CONC 20 MG/ML SOLN

### Changes in Drug Rebate Manufacturers

The following changes have been made in manufacturers with Drug Rebate Agreements. It is listed by manufacturer's code, which are the first five digits of the NDC.

#### Addition

The following labelers have entered into a Drug Rebate Agreement and have joined the rebate program effective on the dates indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
17350	Sucampo Pharma Americas, LLC	02/21/2013
42388	Exelixis, Inc.	02/12/2013

**Terminated Labeler**

The following labeler was terminated from the Medicaid Drug Rebate Program effective April 1, 2013:

Colgate Oral Pharmaceuticals, Inc	(Labeler 00126)
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**Voluntarily Terminated Labeler**

The following labelers have requested voluntary termination effective July 1, 2013:

Marlop Pharmaceuticals, Inc.	(Labeler 12939)
Integrity Pharmaceutical Corporation.	(Labeler 64731)
Xanodyne Pharmaceutical, Inc.	(Labeler 66479)

**Checkwrite Schedule**

February 12, 2013	February 12, 2013	March 12, 2013
February 20, 2013	February 20, 2013	March 20, 2013
February 28, 2013	February 28, 2013	March 28, 2013
March 05, 2013	March 05, 2013	March 05, 2013

**Electronic Cut-Off Schedule**

February 07, 2013	February 07, 2013	March 07, 2013
February 14, 2013	February 14, 2013	March 14, 2013
February 21, 2013	February 21, 2013	March 21, 2013
February 28, 2013	February 28, 2013	March 28, 2013

*Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date. POS Claims must be transmitted and completed by 12:00 midnight on the day of the electronic cut-off date to be included in the next checkwrite.*

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**Lisa Weeks, PharmD, R.Ph.**  
 Chief, Pharmacy and Ancillary Services  
 Division of Medical Assistance  
 NC Department of Health and Human Services

**Debbie Pittard**  
 Acting Assistant Director for Program Integrity  
 Division of Medical Assistance  
 NC Department of Health and Human Services

**Jason Swartz, RPh, MBA**  
 Outpatient Pharmacy Program Manager  
 Division of Medical Assistance  
 NC Department of Health and Human Services

**Sharon H. Greeson, R.Ph.**  
 Pharmacy Director  
 HP Enterprise Services

**Carol Steckel, MPH**  
 Director  
 Division of Medical Assistance  
 NC Department of Health and Human Services

**Melissa Robinson**  
 Executive Director  
 HP Enterprise Services

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