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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 below until the FUL rate has been adjusted to adequately cover the cost of the drug.

A comment should be entered when the DAW1 override code is used to indicate that the FUL is too low to cover the cost of the drug. If there is an active State Maximum Allowable Cost (SMAC) rate on file, the SMAC rate should be submitted.

Pharmacy providers should report reimbursement issues to the N.C. Medicaid program at 919-855-4300. Use of the **DAWI** override code for overriding FUL rates will continue to be monitored. Pharmacy providers should also monitor the FUL rates and discontinue use of the DAW1 override code once updates to the FUL rates have occurred.

NDC	DRUG NAME
00054302802	ACETYLCYSTEINE 20% VIAL
00093026330	FLUOCINONIDE-E 0.05% CREAM
00093026392	FLUOCINONIDE-E 0.05% CREAM
00093075701	PIROXICAM 20 MG CAPSULE
00093075705	PIROXICAM 20 MG CAPSULE
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
00168020260	CLINDAMYCIN PH 1% GEL
00168025815	CLOTRIMAZOLE-BETAMETHASONE C
00168025846	CLOTRIMAZOLE-BETAMETHASONE C
00168031002	DESONIDE 0.05% LOTION
00168031004	DESONIDE 0.05% LOTION
00185072401	CARISOPRODOL COMPOUND TAB
00185072405	CARISOPRODOL COMPOUND TAB

00228206710	OXAZEPAM 10 MG CAPSULE
00378537501	DOXEPIN 75 MG CAPSULE
00378641001	DOXEPIN 100 MG CAPSULE
00378641010	DOXEPIN 100 MG CAPSULE
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
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
00781107101	METHAZOLAMIDE 50 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
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
45802042235	DESONIDE 0.05% CREAM
45802042237	DESONIDE 0.05% CREAM

48102010101	METHAZOLAMIDE 50 MG TABLET
49884024601	CARISOPRODOL COMPOUND TAB
49884024605	CARISOPRODOL COMPOUND TAB
50111033401	METRONIDAZOLE 500 MG TABLET
50111033402	METRONIDAZOLE 500 MG TABLET
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
51672128003	DESONIDE 0.05% CREAM
51672128901	NYSTATIN 100,000 UNIT/GM CRE
51672128902	NYSTATIN 100,000 UNIT/GM CRE
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 CRM
51672404806	CLOTRIMAZOLE-BETAMETHASONE CRM
52152013702	CARISOPRODOL COMPOUND TAB
52152013704	CARISOPRODOL COMPOUND TAB
59746000103	METHYLPREDNISOLONE 4 MG DOSE
59762374301	CLINDAMYCIN PH 1% GEL
59762374302	CLINDAMYCIN PH 1% GEL
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
68462034737	OXYCODONE CONC 20 MG/ML SOLN

Roche ACCU-CHEK Diabetic Supplies Program – Override Extended Until April 30, 2012

The second phase of the Roche ACCU-CHEK Diabetic Supplies program transition went into on March 15, 2012 where both Roche and Prodigy diabetic supplies continue to be covered; however, a one-time override is required for continued use of Prodigy products. **The use of the one-time override will be extended until April 30, 2012.** This extension applies to the durable medical equipment (DME) and pharmacy point-of-sale claims processing systems.

N.C. Medicaid Tamper Resistant Guidelines Update

N.C. Medicaid added the following feature to the list of acceptable features to meet characteristic #2 for tamper resistant prescription pads:

g. Dispense and refill number bordered by asterisks and optionally spelled out to prevent modification

The N.C. Medicaid Tamper Resistant Prescription Pads Guidance document was updated on March 2, 2012 to reflect this change.

Medicaid and Health Choice Antipsychotics Programs – Pharmacy POS Override Code Protocol

It is important for pharmacies to be informed about the Point-of-Sale override options available for the Antipsychotics – Keeping It Documented for Safety (A+KIDS) and the Adult Safety with Antipsychotic Prescribing (ASAP) programs. A new override - an “**11**” in the submission clarification field – applicable to both programs has been created. Differences, however, in the child and adult antipsychotic program make understanding the override protocol imperative. See the “The North Carolina Medicaid Pharmacy Newsletter, February 2012” for a detailed article about the Off Label Antipsychotic Safety Monitoring in Recipients 18 and older Policy for the ASAP program.

Antipsychotic Override Protocol

Adult Safety with Antipsychotic Prescribing (ASAP)

The ASAP Program is for Medicaid recipients aged 18 years and older.

- Meets PA Criteria – Option for ASAP Program ONLY. Prescriber must write “*Meets PA Criteria*” in his/her own handwriting on the face of the prescription or enter it in the comment block when e-prescribing. The use of “**1**” in the PA field or “**2**” in the submission clarification field when “Meets PA Criteria” is written will be effective with program implementation on March 20, 2012. First phase implementation is for atypical antipsychotics only.
- Claim Denial – No history of exempted diagnosis in SmartPA and/or no safety documentation submitted by prescriber. Use override code “**11**” in the submission clarification field to override the documentation requirement. A code “**11**” override is limited to two unique dates of service per 365 rolling days. This will be effective beginning on March 20, 2012. First phase implementation is for atypical antipsychotics only.

Antipsychotics - Keeping It Documented for Safety (A+KIDS)

The A+KIDS Program is for Medicaid recipients aged 0 through 17 and Health Choice recipients aged 6 through 17.

- Claim Denial – No safety documentation submitted by prescriber. Use override code “**11**” in the submission clarification field to override the documentation requirement. A code “**11**” override is limited to two unique dates of service per 365 rolling days. This will be effective beginning on March 16, 2012.

Pharmacies should share with the prescriber each POS message that returns for a denied antipsychotic claim. This is important especially when a code “**11**” override is used to process the claim successfully because of the limited use. As a reminder, pharmacies are able to be

reimbursed for a 72 hour emergency supply for recipients who have exhausted the two override opportunities and are waiting for documentation to be provided.

Override Audits

Meets PA Criteria – Override Codes “1” and “2”

The use of override codes “1” and “2” for “*Meets PA Criteria*” may be audited for appropriate use. A grace period will be extended to allow pharmacies time to adapt to appropriate use of override codes “1” and “2” and “11.” The grace period applies to antipsychotic claims only. Use of override codes “1” and “2” for “*Meets PA Criteria*” by a pharmacy for an antipsychotic claim will be monitored and audited starting with dates of service of July 1, 2012.

No Documentation – Override Code “11”

The use of override code “11” is not audited.

Two Women Plead Guilty to Health Care Fraud Conspiracy and Related Offenses

Two women charged with health care fraud related offenses have pled guilty to the charges, announced Anne M. Tompkins, U.S. Attorney for the Western District of North Carolina. On January 26, 2012, Wendy Gibson (a/k/a Wendy Fitzgerald), 40, of Charlotte, pled guilty to one count of health care fraud conspiracy, one count of paying and receiving illegal kickbacks, and one count of conspiracy to distribute controlled substances. Gibson’s co-defendant, Karen Wills (a/k/a Karen Boykin and Karen Jackson), 43, of Salisbury, entered a guilty plea to the same charges and to one additional count of health care fraud conspiracy on January 12, 2012. The defendants were charged by a criminal bill of indictment on August 17, 2011.

According to filed documents and statements made in court, from around 2008 to January 2011, Wills and others participated in a scheme to defraud Medicare and Medicaid by submitting false and fraudulent claims for medical services which were medically unnecessary, not provided, or both, including but not limited to, electromyography (“EMG”) and anorectal manometry (“AM”) procedures. As a result of this scheme, Medicare and Medicaid paid over \$400,000 in reimbursement payments on the fraudulent claims. Court documents indicate that around August 2008, Wills and others became aware of the investigation into this fraudulent billing scheme. In an effort to conceal the fraud, Wills created several false EMG and AM reports and placed them in patient files. As part of her guilty plea, Willis admitted that the amount of loss intended to be caused by the scheme was in excess of \$400,000 but less than \$1,000,000.

Wills and Gibson also pled guilty to charges of conspiring to pay and receive illegal kickbacks. According to the indictment, from around January 2008 to around 2009, Wills, Gibson, and others engaged in an illegal kickback scheme involving power wheelchairs. According to plea documents, Wills used her position with her employer’s company to submit fictitious referrals for patients to receive medically unnecessary power wheelchairs from Gibson’s employer’s company. In some instances, Wills forged a physician’s signature on required qualification documents, while Gibson tracked and directed payment to those referrals. As part of their plea agreements, the defendants admitted to concealing the illegal kickback payments by falsely representing on invoices and checks that the payments were for nursing and billing services. This scheme resulted in payments for the medically unnecessary equipment from Medicare and Medicaid in excess of \$300,000.

Wills and Gibson also pled guilty to charges of conspiracy to distribute controlled substances and to commit health care fraud. In pleading guilty to that charge, Wills admitted that she forged a physician's signature on prescription pads she misappropriated from her employer, and issued fraudulent prescriptions in Gibson's name. The prescriptions were written for controlled substances including oxycodone and hydrocodone/acetaminophen pills. In her plea, Gibson admitted that she used her health insurance prescription benefit program to pay for the fraudulent prescriptions resulting in payments in over \$30,000 for these fraudulent prescriptions. Wills and Gibson obtained and illegally distributed approximately 3,000 oxycodone pills, and approximately 5,000 hydrocodone/acetaminophen pills.

At sentencing, Gibson and Wills face a maximum statutory sentence of 10 years in prison on the health care fraud conspiracy and a \$250,000 fine, and five years in prison and a \$25,000 fine for the illegal kickbacks charge. They also face 20 years in prison and a \$1 million fine for the conspiracy to distribute controlled substances. Wills also faces a penalty of 10 years of imprisonment and a \$250,000 fine for the additional charge of health care fraud conspiracy. Wills has been in federal custody on these charges since August 2011, and Gibson remains on bond. A sentencing date has not been set.

The investigation into Wills and Gibson was handled by HHS-OIG, MIU, FBI, USSS, NC SBI, CPMD, and Rowan County Sheriff's Office. The prosecution is being handled by Assistant U.S. Attorney Kelli Ferry of the U.S. Attorney's Office in Charlotte.

The investigation and charges are the work of the Western District's joint Health Care Fraud Task Force. The Task Force is a multi-agency team of experienced federal and state investigators and prosecutors, working in conjunction with criminal and civil Assistant United States Attorneys, dedicated to identifying and prosecuting those who defraud the health care system, and reducing the potential for health care fraud in the future. The Task Force focuses on the coordination of cases, information sharing, identification of trends in health care fraud throughout the region, staffing of all whistle blower complaints and the creation of investigative teams so that individual agencies may focus their unique areas of expertise on investigations.

The Task Force builds upon existing partnerships between the agencies and its work reflects a heightened effort to reduce fraud and recover taxpayer dollars. If you suspect Medicare or Medicaid fraud please report it by phone at 1-800-447-8477 (1-800-HHS-TIPS), or E-Mail at HHSTips@oig.hhs.gov.

Basic Medicaid and NC Health Choice Seminars

Basic Medicaid and NC Health Choice (NCHC) seminars are scheduled for the months of April and May 2012. Seminars are intended to educate providers on the basics of Medicaid and NCHC billing as well as to provide an overview of policy updates, contact information, and fraud, waste and abuse. The focus of the morning session will be the first seven sections of the revised April 2012 *Basic Medicaid and NC Health Choice Billing Guide*, which is the primary document that will be referenced during the seminar. The afternoon sessions will be broken out by claim type: Professional, Institutional, and Dental /Pharmacy. The remaining sections of the April 2012 Billing Guide will be reviewed during these breakout sessions focusing on claims submission, resolving denied claims, and the uses of N.C. Electronic Claims Submission/Recipient Eligibility Verification Web Tool.

Providers are encouraged to print the Billing Guide, which will be posted on the DMA seminar webpage prior to the first scheduled session. This material will assist providers in following along with the presenters. If preferred, you may download the Billing Guide to a laptop and bring the laptop to the seminar. Or, you may access the Billing Guide online using your laptop during the seminar. **However, HP Enterprise Services cannot guarantee a power source or Internet access for your laptop.** Copies of these documents will not be provided.

Pre-registration is required for both the morning session and the afternoon session of your choice. Due to limited seating, registration is limited to two staff members per office. Unregistered providers are welcome to attend, if space is available. Please bring your seminar confirmation with you to the morning and afternoon sessions of the seminar.

Providers may register for the seminars by completing and submitting the online registration form. Providers may attend the morning session only, the afternoon session only, or both morning and afternoon sessions. The morning session will begin at 9:00 a.m. and end at 12:00 noon. Providers are encouraged to arrive by 8:45 a.m. to complete registration. Lunch will not be provided; however, there will be a lunch break. The afternoon sessions will begin at 1:00 p.m. and end at 4:00 p.m. Providers are encouraged to arrive at 1:15 p.m. to complete registration. **Because meeting room temperatures vary, dressing in layers is advised.**

Seminar Dates and Locations

Date	Location
April 17, 2012	<p align="center">Fayetteville Cumberland County DSS 1225 Ramsey Street Fayetteville, NC 28301</p>
April 19, 2012	<p align="center">Charlotte Crowne Plaza 201 South McDowell Street Charlotte, NC 28204 Note: Parking fee of \$5.00 per vehicle for parking at this location.</p>
April 24, 2012	<p align="center">Greenville Hilton 207 SW Greenville Blvd Greenville, NC 27834</p>
May 1, 2012	<p align="center">Asheville Crowne Plaza Tennis & Gold Resort One Resort Drive Asheville, NC 28806</p>
May 8, 2012	<p align="center">Greensboro Clarion Hotel Airport 415 Swing Road Greensboro, NC 27409</p>

<p>May 10, 2012</p>	<p>Raleigh McKimmon Conference & Training Center 1101 Gorman Street Raleigh, NC 27606 Note: Visitors are asked to park in designated visitor parking spaces in order to avoid ticketing.</p>
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Replacement MMIS – NCTracks Information

If you are seeking information about the Replacement MMIS, NCTracks, we recommend you check out the following links:

- OMMISS website - <http://ncmmis.ncdhhs.gov/>
- NCTracks Provider Readiness Bulletin - <http://ncmmis.ncdhhs.gov/updates.asp>
- Frequently Asked Questions (FAQ) - <http://ncmmis.ncdhhs.gov/faq.asp>
- Monthly NCTracks Provider Newsletters - <http://ncmmis.ncdhhs.gov/newsletters.asp>
- Sign up for NCTracks provider communication email distribution list - <http://ncmmis.ncdhhs.gov/contact.asp>

If you have any questions about NCTracks, you may send an email to: OMMISS.ProviderRelations@dhhs.nc.gov

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 labeler has entered into a Drug Rebate Agreement and has joined the rebate program effective on the date indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
64896	Impax Laboratories, Inc	03/23/2012

Voluntarily Terminated Labelers

The following labelers have requested voluntary termination effective July 1, 2012:

3M Pharmaceuticals	(Labeler 00089)
Graceway Pharmaceuticals.	(Labeler 29336)

Checkwrite Schedule

March 06, 2012	April 10, 2012	May 08, 2012
March 13, 2012	April 17, 2012	May 12, 2012
March 20, 2012	April 26, 2012	May 22, 2012
March 29, 2012	April 10, 2012	May 31, 2012

Electronic Cut-Off Schedule

March 01, 2012	April 05, 2012	May 03, 2012
March 08, 2012	April 12, 2012	May 10, 2012
March 15, 2012	April 19, 2012	May 17, 2012
March 22, 2012		May 24, 2012

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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