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**North Carolina
Medicaid Pharmacy
Newsletter**

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In This Issue...

Implementation of NCPDP Versions 5.1 and 1.1

Metric Decimal Conversion Update

Recipient Lock-In To One Pharmacy Per Month

Days Supply on Pharmacy Claims

Third Party Cost Avoidance

Changes in Drug Rebate Manufacturers

Proposed Medical Coverage Policies

Summary of POS Changes

Federal Mac List Changes

State Mac List Changes

Provider Information Update

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Implementation of NCPDP Versions 5.1 and 1.1

DMA is committed to implementing all of the regulations introduced as a result of the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The HIPAA rule designates NCPDP Versions 5.1 (Point of Sale) and 1.1 (Batch) as the standard transactions for retail pharmacies. The HIPAA Transactions and Code Set Final Rule, published August 17, 2000 in the Federal Register, can be accessed at http://www.access.gpo.gov/su_docs.

N.C. Medicaid has published companion guides to assist providers and trading partners in their effort to become HIPAA compliant. These companion guides are specific to N.C. Medicaid and are intended to be used in conjunction with NCPDP Standards for Retail Pharmacy Services for complete implementation information. Consult the NCPDP website at <http://www.ncdp.org> for the NCPDP Transaction Standards for Retail Pharmacy Services. N.C. Medicaid companion guides are now available at <http://www.dhhs.state.nc.us/dma/hipaa/compguides.htm>.

Medicaid will implement NCPDP Version 5.1 and Version 1.1 on August 1, 2003. Only compounds that contain legend drugs can be billed online. If the compound contains OTCs, it must be billed on a manual claim form.

Metric Decimal Conversion Update

N.C. Medicaid will begin accepting metric decimal quantities on **September 12, 2003**. At that time, the unbreakable package edit will be changed to recognize the metric decimal quantity instead of the current rounded quantity. For example, Benzamycin (NDC 00066-0510-23) is currently billed as 24 grams; beginning on September 12, 2003, this product must be billed as stated on the manufacturer's package as 23.3 grams. If a rounded quantity is billed, the claim will be denied.

Recipient Lock-In To One Pharmacy Per Month

DMA has implemented a Recipient Lock-In (Restricted Pharmacy Services) Program. Recipients are restricted to a single pharmacy each month except for emergencies. The following recipients are exempt from the mandatory pharmacy lock-in:

- recipients who are less than 21 years of age,
- recipients participating in the Community Alternatives Program (CAP), and
- recipients that reside on campuses attending either Schools for the Deaf and/or Blind during the weekdays.

Days Supply on Pharmacy Claims

Effective October 1, 2003, Medicaid recipients will be able to obtain a 90-day supply of a medication if the claim is for a generic, non-controlled maintenance medication and they have had a previous 30-day fill of the same medication. The claim must also pay at either the Federal or State MAC rate for a 90-day supply to be allowed. If the product is deleted from the MAC list, then the patient will only be able to obtain a 34-day supply. This will be at the sole discretion of the recipient's healthcare provider. Only one copay will be collected and only one dispensing fee will be paid for the 90-day supply.

Third Party Cost Avoidance

In October 2003, DMA will begin cost avoiding pharmacy claims for patients who have other coverage for drugs. The pharmacy will receive a denial through the Point of Sale (POS) system indicating that a third party insurance should be billed as the primary payer. Medicaid is billed as the payer of last resort. An “override” procedure will be implemented to allow for insurance that may have been dropped (cancelled) or is incorrect as of the date of service. Additional information on this change will be published in future newsletters.

Changes in Drug Rebate Manufacturers

The following changes were made for manufacturers with Drug Rebate Agreements. They are listed by manufacturer code, which is the first five digits of the NDC.

Additions

The following labelers have entered into Drug Rebate Agreements and joined the rebate program effective with the dates indicated below:

Code	Manufacturer	Date
08080	Tyko Healthcare Group LP	4/29/2003
49614	Medicine Shoppe Int'l	3/10/2003
66860	Cura Pharmaceutical Co., Inc.	3/04/2003
66887	Auxilium Pharmaceuticals, Inc.	4/07/2003
67523	Aber Pharmaceuticals, Inc.	3/20/2003
67857	Reddy Pharmaceuticals, Inc.	3/27/2003
67870	Axiom Pharmaceutical Corporation	4/09/2003
67286	ESP Pharma, Inc.	4/28/2003

Terminated Labelers

The following labeler codes are being voluntarily terminated effective July 1, 2003:

Leader (Labeler Codes 08881, 36652, and 56151)
 Guy & O'Neill (Labeler Code 50862)
 NexStar Pharmaceuticals, Inc. (Labeler Code 56146)
 Sequus Pharmaceuticals (Labeler Code 61471)
 American Pharmaceutical Partners, Inc. (Labeler Code 65219)

The following labeler codes will be terminated effective July 1, 2003:

Miza Pharmaceuticals (Labeler Code 52238)
 Vitaline Corporation (Labeler Code 54022)
 Pharmacists Choice (Labeler Code 58634)
 Link Pharmaceutical (Labeler Code 65772)

Proposed Medical Coverage Policies

In accordance with Session Law 2001-424, Senate Bill 1005, proposed new or amended Medicaid medical coverage policies are available for review and comment on DMA's website at <http://www.dhhs.state.nc.us/dma/prov.htm>. To submit a comment related to a policy, refer to the instructions on the website. Providers without internet access can submit written comments to the address listed below.

Darlene Creech
Medical Policy Section
Division of Medical Assistance
2511 Mail Service Center
Raleigh, NC 27699-2511

The initial comment period for each proposed policy is 45 days. An additional 15-day comment period will follow if a proposed policy is revised as a result of the initial comment period.

Summary of POS Changes

The N.C. Medicaid POS system has gone through many changes in the past few months. The following summarizes the changes:

1. The early fill alert is now a hard edit and additional information is required to override the early fill. The process to override an early fill alert is to respond to the DUR alert and indicate one of the approved reason codes in the prescription clarification field (also referred to as the denial clarification field). The approved codes are as follows:

03 – Vacation supply 04 – Lost prescription 05 – Therapy dosage change

OVERRIDE CODES FOR VACATION SUPPLY AND LOST PRESCRIPTION ARE NOT ALLOWED ON CONTROLLED SUBSTANCES (except for leave of absence medications for patients in long-term care facilities).

Example of Early Fill Process:

Once the pharmacist has verified with the patient the reason for the early fill, the following should occur. After receiving the alert the pharmacist enters the following DUR override: CC = ER, IC = P0, OC = 1B. In addition, one of the reason codes listed above (03, 04 or 05) needs to be transcribed in the prescription clarification field. If any fields are left blank, the claim will deny.

Actual Screen Print for Overriding Early Fill (using 05 as the reason code) and 6 Rx Limit

Prior Auth./Medical Certification 5
Eligibility Clarification
Prescription Denial Clarification 05

Conflict **ER** Intervention **P0** Outcome **1B**

2. The high-dose edit (Edit 907) has been changed; all quantities can now be overridden on the POS system once it is verified for accuracy. This edit uses the FDA guidelines to determine upper limit. To override this edit, place a "2" in the PA/MC field or the prescription denial clarification field.

Example of High Dose Process:

Once the pharmacist receives the message "Quantity dispensed is greater than recommended dose," the quantity and day's supply should be verified. If correct, place a "2" in either the PA/MC field or the prescription denial clarification field.

3. Listed below are the current acceptable codes in the PA/MC field.

"1" - PAMC- USED TO OVERRIDE THE MEDICARE EDIT *

"2" - PAMC- SUPPLY-OVERRIDE

"3" - PAMC- BOTH-SUPPLY-RXLIMIT (New: Both "2" and "5" are requested)

(recommend using "5" PA/MC field and "2" in Rx Clarification field instead of the "3") **

"4" - PAMC- COPAY-EXEMPT

"5" - PAMC- RX-LIMIT-EXEMPT

"8" - PAMC- BOTH-EXEMPT (combines both "4" and "5")

"9" - PAMC- ALL-SUPPLY-COPAY-RXLIMIT (New: "2", "4" and "5" are requested)

(recommend using "8" PA/MC field and "2" in Rx Clarification field instead of the "9") **

* This override can be used to override the Medicare edit when a drug is not covered by Medicare (the reason for non-coverage should be noted on the prescription).

****3 and 9 will not be accepted as part of NCPDP 5.1.**

4. Pharmacy claims can now be billed online up to one year from the date of service.

5. Pharmacy claims – excluding Synagis and Botox – with billed amounts up to \$9,999.99 can now be billed online.

6. DAW 5 - substitution allowed-brand drug dispensed as a generic (can be used to indicate a generic is being dispensed.)

DAW 7- substitution not allowed-brand drug mandated by law (can be used for NTI drugs or atypical antipsychotics)

7. Compounds can now be captured online using the compound NDC (00990-0000-00). This change will assist in the tracking of the prescription count. The claim must be submitted on paper or batch to receive payment.

8. POS hours have been extended. The hours are as follows:

- Monday 2:30 am - Midnight
- Tuesday 2:30 am - Midnight
- Wednesday 2:30 am - Midnight
- Thursday 2:30 am - Midnight
- Friday 7:00 am - Midnight
- Saturday 2:30 am - Midnight
- Sunday 7:00 am – Midnight

9. A 34-day grace period is available to obtain prescription drug prior authorization (PA) for Medicaid recipients in nursing facilities, adult care homes, and intermediate care facilities for persons with mental retardation.

- A single 34-day grace period per PA prescription is granted upon the prescriber's or prescriber's designee notification/communication to ACS (PBM).
- The grace period applies to recipients already residing in the designated facilities and to newly admitted patients.

10. The day's supply for Depo Provera (150mg/ml) can now be accurately indicated as a 90-day supply. There is an audit in the system to ensure that claims are only being submitted every 3 months.

11. Nuvaring and Otho Evra can be dispensed in quantities up to a 3-month supply.

Federal Mac List Changes

Effective May 11, 2003, the following changes were made to the Medicaid Drug Federal Upper Limit List:

FUL DeletionsGeneric Name

Acetylcysteine

20%, Solution, Inhalation; Oral, 10ml

Desoximetasone

0.25%, Topical, Cream, 60gm

Diflunisal

500 mg, Tablet, Oral, 60

Theophylline

100mg, Tablet, Extended Release, Oral, 100

200mg, Tablet, Extended Release, Oral 100

FUL Price IncreasesGeneric NameFUL Price

Alprazolam

0.25 mg, Tablet, Oral 100

\$0.0614 R

0.5 mg, Tablet, Oral, 100

\$0.0698 B

1 mg, Tablet, Oral, 100

\$0.0885 B

2 mg, Tablet, Oral 100

\$0.1745 R

Amiloride Hydrochloride: Hydrochlorothiazide

EQ 5 mg Anhydrous; 50mg, Tablet, Oral, 100

\$0.0675 B

Amitriptyline Hydrochloride

150mg, Tablet, Oral 100

\$0.2430 B

Ampicillin/Ampicillin Trihydrate

250 mg, Capsule, Oral 100

\$0.1736 B

500 mg, Capsule, Oral 100

\$0.2991 B

Benzonate

100 mg, Capsule, Oral 100

\$0.4387 B

Bumetanide

1 mg, Tablet Oral, 100

\$0.2814 B

2 mg, Tablet Oral, 100

\$0.4708 B

Cholestyramine

EQ 4 gm Resin/Packet, Powder, Oral, 60

\$1.2767 B

Cyclobenzaprine Hydrochloride

10 mg, Tablet, Oral, 100

\$0.2728 B

Minocycline Hydrochloride

EQ 50 mg Base, Capsule, Oral 100

\$0.9000 B

EQ 100 mg Base, Capsule, Oral, 50

\$1.8000 B

FUL Price Increases, Continued

<u>Generic Name</u>	<u>FUL Price</u>
Temazepam	
15 mg, Capsule, Oral, 100	\$0.1365 B
30 mg, Capsule, Oral, 100	\$0.1748 B
Tolazamide	
250 mg, Tablet, Oral, 100	\$0.4005 B
Verapamil Hydrochloride	
240 mg, Tablet, Extended Release, Oral, 100	\$0.4350 B

FUL Price Decreases

<u>Generic Name</u>	<u>FUL Price</u>
Amiodarone Hydrochloride	
200 mg, Tablet, Oral, 60	\$1.6875 B
Hydroxyzine Pamoate	
50 mg, Capsule, Oral 100	\$0.1013 B
Labetalol Hydrochloride	
100 mg, Tablet, Oral, 100	\$0.2157 B
200 mg, Tablet, Oral, 100	\$0.3582 B
300 mg, Tablet, Oral, 100	\$0.5363 B
Methocarbamol	
500 mg, Tablet, Oral	\$0.1943 B

State Mac List Changes

The following changes were made to the Medicaid State Mac List:

SMAC Deletions

The following medication was deleted from the State Mac List, effective April 21, 2003:

 Triamterene & Hydrochlorothiazide 25mg/50mg capsule

The following medications were deleted from the State Mac list, effective May 9, 2003.

Generic Name

Acetic Acid

 2%, 15ml, Soln

Chlorothiazide

 250mg, Tablet, Oral

 500mg, Tablet, Oral

Disopyramide

 100mg, Tablet, Oral

 150mg, Tablet, Oral

SMAC Deletions (Continued)

Generic Name

Erythromycin base
500mg, Tablet, Oral

Ketoprofen
150mg, Capsule, Oral

Maprotiline
25mg, Tablet, Oral
50mg, Tablet, Oral
75mg, Tablet, Oral

Meclofenamate Sodium
50mg, Capsule, Oral
100mg, Capsule, Oral

Naproxen Sodium
275mg, Tablet, Oral

Neomycin/Polymyxin B/Dexamethasone
3.5mg,/10,000 units,0.1%per gm, Opth oint

Pilocarpine
0.5%, Opth,Soln

Pindolol
5mg, Tablet, Oral

Thioridazine
30mg/ml, Conc.
100mg/ml,Conc

Thioridazine
15mg, Tablet, Oral
200mg, Tablet, Oral

Tretinoin
0.05%, Liq

SMAC Increases

Generic Name	SMAC Price	Effective Date Of Change
Alprazolam 1mg,Tablet, Oral	\$0.1526	4/24/2003
Chlorthalidone 25mg,Tablet, Oral	\$0.1151	5/09/2003
Labetalol 300mg ,Tablet, Oral	\$0.3632	4/21/2003

SMAC Increases (continued)

Generic Name	SMAC Price	Effective Date Of Change
Minocycline 100mg, Capsule, Oral	\$1.3181	4/21/2003
Minocycline 50mg, Capsule, Oral	\$0.6590	4/21/2003
Naproxen 500mg, Tablet, Oral	\$0.2093	4/21/2003
Perphenazine 2mg, Tablet, Oral	\$0.3400	4/21/2003
Perphenazine 8mg, Tablet, Oral	\$0.5646	4/21/2003
Tramadol 50mg, Tablet, Oral	\$0.1418	4/24/2003
Triamterene & Hydrochlorothiazide 50mg, Tablet, Oral	\$0.0465	4/21/2003
75MG, Tablet, Oral	\$0.0465	4/21/2003
Triamterene & Hydrochlorothiazide 37.5mg, Tablet, Oral	\$0.2576	4/21/2003
25mg, Tablet, Oral	\$0.2576	4/21/2003
Trifluoperazine 2mg, Tablet, Oral	\$0.4129	4/21/2003
5mg, Tablet, Oral	\$0.6495	4/21/2003
Trifluoperazine 10mg, Tablet, Oral	\$0.6588	5/09/2003
Valproic Acid 250mg, Tablet, Oral	\$0.2582	4/21/2003

Provider Information Update

The N.C. Medicaid program is updating provider files to include a fax number and e-mail address. These two methods of communication will complement the already existing methods of communication and provide a quick avenue for providers to receive information. Because only one e-mail address and one fax number can be entered for a provider number, please submit the most appropriate information for the provider number given. Please complete and return the following form to EDS Provider Enrollment at the address listed below.

To report a change of ownership, name, address, tax identification number changes, group member, or licensure status, please use the Notification of Change in Provider Status form. Managed Care providers (Carolina ACCESS, ACCESS II, and ACCESS III) must also report changes using the Carolina ACCESS Provider Information Change form, including changes in daytime or after-hours phone numbers.

Date _____

Provider Number: _____

Provider Name: _____

Site Address: Street _____

City _____

State _____ Zip Code _____

Contact Person: _____

Phone Number: () _____

Fax Number: () _____

E-Mail Address: _____

Return completed form to:

EDS Provider Enrollment
PO Box 300009
Raleigh, NC 27622

Fax: 919-851-4014

Checkwrite Schedule

June 10, 2003
June 17, 2003
June 26, 2003

July 15, 2003
July 22, 2003
July 31, 2003

August 12, 2003
August 19, 2003
August 28, 2003

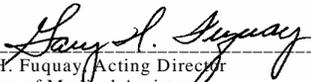
Electronic Cut-Off Schedule

June 6, 2003
June 13, 2003
June 20, 2003

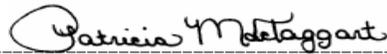
July 11, 2003
July 18, 2003
July 25, 2003

August 8, 2003
August 15, 2003
August 22, 2003

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.



Gary H. Fuquay, Acting Director
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Executive Director
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Presorted Standard

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