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## Implementation of a Recipient Management Lock-In Program

N.C. Medicaid will implement a recipient management lock-in program. The N.C. Administrative Code, 10A NCAC 22F.0704 and 10A NCAC 22F.0104, along with 42 CFR 431.54 and the Medicaid State Plan supports the State's development of procedures for the control of recipient overutilization of Medicaid benefits, which includes implementing a recipient management lock-in program. Recipients identified for the lock-in program will be restricted to a single prescriber and pharmacy in order to obtain opioid analgesics, benzodiazepines, and certain anxiolytics covered through the Medicaid Outpatient Pharmacy Program.

N.C. Medicaid recipients who meet one or more of the following criteria will be locked into one prescriber and one pharmacy for controlled substances categorized as opiates or benzodiazepines and certain anxiolytics for a period of one year:

1. Recipients who have at least **ONE** of the following
  - a. Benzodiazepines and certain anxiolytics: more than six claims in two consecutive months
  - b. Opiates: more than six claims in two consecutive months
2. Receiving prescriptions for opiates and/or benzodiazepines and certain anxiolytics from more than three prescribers in two consecutive months
3. Referral from a provider, DMA or CCNC.

The process of identifying recipients for the program began in July. Recipients who meet the criteria will be notified by letter and asked to choose a prescriber and a pharmacy. The recipient must obtain all prescriptions for these medications from their lock-in prescriber and lock-in pharmacy in order for the claim to pay. Additionally, the **prescriber's NPI will be required on the pharmacy claim**. Submitting the prescriber's DEA will cause the claim to be denied. Claims submitted by a prescriber or filled at a pharmacy other than the one listed on the lock-in file will be denied. The recipient may not change their lock-in prescriber or pharmacy without authorization from DMA.

Recipients who qualify for the program will be notified and locked in for one year after which time they will be removed from the program if they no longer meet the criteria. Recipients who continue to meet the criteria will be locked in for a subsequent year. Once released from the lock-in program, prescription claims will continue to be monitored. If it is determined that a recipient again meets the criteria, the recipient will be re-identified for the lock-in program.

The N.C. Medicaid Program will reimburse an enrolled Medicaid pharmacy for a four-day supply of a prescription dispensed to a recipient locked into a different pharmacy and prescriber in response to an emergent situation. The recipient will be responsible for the appropriate copayment. Only one emergency occurrence will be reimbursed per lock-in period. Records of dispensing of emergency supply medications are subject to review by Program Integrity. Paid quantities for more than a four-day supply are subject to recoupment.

Please refer to the DMA website at <http://www.ncdhhs.gov/dma/pharmacy/> for updates.

## **Recipient Management Lock-in Program Emergency Fill**

The N.C. Medicaid Program will reimburse an enrolled Medicaid pharmacy for a 4-day supply of a prescription dispensed to a recipient locked into a different pharmacy and prescriber in response to an emergent situation. The emergency supply is limited to a 4-day supply. The provider will be paid for the drug cost only, and the recipient will be responsible for the appropriate copayment. A “3” in the Level of Service field (418-DI) should be used to indicate that the transaction is an emergency fill.

Only one emergency occurrence will be reimbursed per lock-in period. Records of the dispensing of emergency supply medications are subject to review by DMA Program Integrity. Paid quantities for more than a 4-day supply are subject to recoupment.

## **Recipient Notifications**

Medicaid and N.C. Health Choice recipients are notified of benefit and coverage changes through monthly mailings. Copies of the notifications are available on DMA’s website at <http://www.ncdhhs.gov/dma/pub/consumerlibrary.htm>.

The notification that was mailed to recipients in August 2010 outlined a number of changes to the N.C. Medicaid Program and to the N.C. Health Choice Program.

## **Medical Services**

Medicaid recipients were notified of the following changes to the N.C. Medicaid Program for medical services:

- Limitations to refills for lost prescriptions
- Implementation of a recipient management lock-in program for prescription drugs
- Changes to N.C. Medicaid Preferred Drug List
- Coverage of prescription vitamins and mineral products

For more information about these changes, providers may refer to the August 2010 Medicaid Bulletin (<http://www.ncdhhs.gov/dma/bulletin/0810bulletin.htm>).

## **Medicare and Medicaid Health Information Technology: Title IV of the American Recovery and Reinvestment Act**

### **Background**

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act), a critical measure to stimulate the economy. Among other provisions, the new law provides major opportunities for the Department of Health and Human Services (DHHS), its partner agencies, and the states to improve the nation's health care through health information technology (HIT) by promoting the meaningful use of electronic health records (EHR) via incentives. On July 13, 2010, the Final Rule implementing the Medicare and Medicaid incentive payments provisions of the Recovery Act was published by CMS. It was also published in the July 28, 2010, Federal Register. A copy of that rule can be found on DMA's website at <http://www.ncdhhs.gov/dma/provider/ehr.htm>.

The HIT provisions of the Recovery Act are found primarily in Title XIII, Division A, Health Information Technology, and in Title IV, Division B, Medicare and Medicaid Health Information Technology. These titles together are cited as the Health Information Technology for Economic and Clinical Health Act or the HITECH Act. This article focuses on the Medicaid provisions of Title IV only.

### **Funding**

Under Title IV, funding is available to certain eligible professionals (EPs) and hospitals, as described below. Funds will be distributed through Medicaid incentive payments to EPs, physicians, and hospitals who Adopt, Implement or Upgrade a certified EHR system in application year one and who meet "meaningful EHR use" in subsequent years. In addition, federal matching funds are available to states to support their administrative costs associated with these provisions.

### **Criteria for Qualifying for an Incentive**

The qualification criteria for incentives (i.e., meeting specified HIT standards, policies, implementation specifications, timeframes, and certification requirements) were published on July 13, 2010, in the Final Rule. Funds may be distributed through N.C. Medicaid to eligible providers and hospitals as early as January 2011.

### **Additional Information**

Frequently asked question (FAQs) on the Final Rule are available on DMA's website at <http://www.ncdhhs.gov/dma/provider/ehr.htm>. These questions and answers provide an excellent overview of the main provisions of the Medicaid Providers EHR Incentive Program. Additional FAQs are available on the CMS website at <http://questions.cms.hhs.gov/app/answers/list/p/21,26,1058>.

## **Enrollment Fee Update: Reminders**

As mandated by Session Law 2009-451, beginning September 1, 2009, the N.C. Medicaid Program implemented a \$100 enrollment fee for all new enrollments and at 3-year intervals when providers are re-credentialed.

### **APPLICANTS SHOULD NOT SUBMIT PAYMENT WITH THEIR APPLICATION.**

Upon receipt of your enrollment application, an invoice will be mailed to you if the fee is owed. An invoice will only be issued if the tax identification number in the enrollment application does not identify the applicant as a currently enrolled Medicaid provider.

Providers are reminded that payment

- is due immediately upon receipt of an invoice for the enrollment fee;
- should be remitted to the address on the invoice and not directly to CSC; and
- is accepted by check or money order made payable to DMA.

Please make every effort to remit payment promptly. Applications will not be processed if payment is not received. If payment is not received after 30 business days, your application will be voided.

## **Procedures for Prescribing Synagis for RSV Season 2010/2011**

Effective with date of service, November 1, 2010, through March 31, 2011, the N.C. Medicaid Program reimburses for respiratory syncytial virus (RSV) immune globulin (Synagis) **ONLY** through the Outpatient Pharmacy Program. Synagis is not covered when billed through the Physician Drug Program or when billed on institutional claims by outpatient hospitals. This does not include outpatient hospital pharmacy billing through point of sale (POS).

The clinical criteria utilized by N.C. Medicaid for the 2010/2011 RSV season are consistent with published guidelines in the *Red Book: 2009 Report of the Committee on Infectious Diseases, 28<sup>th</sup> Edition*. **Prior authorization is required** for Medicaid coverage of Synagis during the upcoming RSV season. The coverage season is November 1, 2010, through March 31, 2011.

The **Prior Authorization Synagis Drug Request Form** is required for all Synagis requests. This includes requests for children meeting the explicit clinical criteria such as date of birth (DOB) and estimated gestational age (EGA). The Prior Authorization Synagis Drug Request Form should also be used when requesting Synagis for a child not meeting the clinical criteria. Complete the justification of medical need section of the form for those requests. Please ensure the person completing the Prior Authorization Synagis Drug Request Form has verified that the conditions exist and are accurately reported.

Submit requests for coverage of Synagis doses exceeding policy or for coverage outside of the defined coverage period on the **Non-Covered State Medicaid Plan Services Request Form for Recipients Under 21 Years of Age**. The form is available on DMA's website at <http://www.ncdhhs.gov/dma/epsdt/>.

N.C. Medicaid will begin coverage of Synagis on November 1, 2010. During the season, Medicaid will cover up to five monthly doses of Synagis. The number of doses billed to Medicaid should be in accordance with policy and adjusted if an infant received the first dose prior to a hospital discharge. Delays in request processing can occur if a Medicaid identification number is not provided or the form is not complete.

### **The Prior Authorization Synagis Drug Request Form**

The **Prior Authorization Synagis Drug Request Form** must be signed by the prescriber and submitted to ACS, DMA's pharmacy prior authorization vendor. Fax the completed Prior Authorization Synagis Drug Request Form to ACS at 1-866-246-8507. The Prior Authorization Synagis Drug Request Form is available on DMA's Synagis web page at <http://www.ncdhhs.gov/dma/pharmacy/synagis.htm>.

N.C. Medicaid does not participate in RSV Connection. **The Prior Authorization Synagis Drug Request Form** should not be submitted to RSV Connection. It is important for a pharmacy to ensure that Synagis is approved prior to billing Medicaid. A claim transmitted at POS will be denied if a prior authorization request was not submitted by the provider or if the request was not approved. Limited claims for Synagis may be approved through Smart PA when submitted electronically. Please refer to the guidance below when submitting a request for Synagis.

The Prior Authorization Synagis Drug Request Form includes a prescription section at the bottom. Use of the prescription section is optional. It is the responsibility of the provider to ensure that the pharmacy has a prescription for Synagis. It is the responsibility of the pharmacy to ensure that all prescription requirements are met.

### **Maximum of Five Doses**

An EPDST medical necessity review will be performed for all Synagis requests. Please describe the severity of diagnoses to help justify the medical need for Synagis. The clinical information section of the Prior Authorization Synagis Drug Request Form can be used to provide supplemental information for all requests. Up to five doses during the season will be approved for chronic lung disease (CLD) and hemodynamically significant congenital heart disease (HSCHD) for infants and children less than two years of age. Use of an ICD-9-CM code is encouraged to help ensure that accurate information is processed from the form.

For **CLD**, please specify the diagnosis causing the long-term respiratory problems to help to establish the severity of the condition. Please indicate treatments received in the six months before the start of the season such as supplemental oxygen, bronchodilator, diuretic or chronic corticosteroid therapy.

For **HSCHD**, please specify the diagnosis causing the condition and identify medications prescribed for the condition. Infants not at increased risk from RSV who generally should **not** receive immunoprophylaxis include those with hemodynamically insignificant heart disease, such as secundum atrial septal defect, small ventricular septal defect (VSD), pulmonic stenosis, uncomplicated aortic stenosis, mild coarctation of the aorta, patent ductus arteriosus (PDA), lesions adequately corrected by surgery unless the infant continues on medication for CHF, or mild cardiomyopathy not requiring medication.

In addition to the two conditions listed above, a premature infant (prematurity must be counted to the exact day) may qualify for five doses as follows:

- Born at an EGA of  $\leq 28$  weeks 6 days and DOB is on or after November 2, 2009;
- Born at an EGA of 29 weeks 0 days to 31 weeks 6 days and DOB is on or after May 2, 2010; or
- Born at an EGA of  $\leq 34$  weeks 6 days and DOB is after March 31, 2010, and also has severe neuromuscular disease that compromises handling of respiratory secretions; **or**

congenital abnormalities of the airways that compromises handling of respiratory secretions.

Please specify the specific diagnosis to justify severe neuromuscular disease or congenital airway abnormalities.

**Maximum of Three Doses; Last Dose Administered at Three Months of Age (90 Days of Life)**

Infants meeting clinical criteria as follows may be approved for up to three doses of Synagis during the season:

- Born at an EGA of 32 weeks and 0 day to 34 weeks 6 days, and DOB is on or after August 2, 2010, and has at least one of the two following defined risk factors:
  - ◆ Attends child care [defined as a home or facility where care is provided for any number of infants or young toddlers (toddler age is up to the third birthday)].
  - ◆ Has a sibling younger than five years of age in the home.

**Requesting Synagis for RSV Prophylaxis when Clinical Criteria Are Not Met**

Use the **Prior Authorization Synagis Drug Request Form** for these requests. Clinical information must be provided to justify the medical need for Synagis for infants or children not meeting any of the above the criteria. A medical necessity review will determine if medical need is justified based on the information provided. Provide the information in the section of the form for clinical information. Use ICD-9-CM codes to ensure that accurate information is processed from the form.

Generally, the following diagnoses do not singularly justify medical necessity for Synagis prophylaxis:

- a positive RSV episode during the current season
- repeated pneumonia
- sickle cell
- multiple birth with approved sibling
- apnea or respiratory failure of newborn

**Submitting Prior Approval Requests**

All prior approval requests should be submitted on the **Prior Authorization Synagis Drug Request Form**. Fax the form to ACS at 1-866-246-8507. The Prior Authorization Synagis Drug Request Form is for all requests for Synagis during the season. ACS will fax approval notifications to the provider and pharmacy.

Use the **Non-Covered State Medicaid Plan Services Request Form for Recipients Under 21 Years of Age** to request Synagis doses exceeding policy or for Synagis administration outside the defined coverage period. A medical necessity review will be done under EPSDT (see <http://www.ncdhhs.gov/dma/epsdt/>); if the information provided justifies medical need, the request will be approved and an approval notification will be faxed to the provider and pharmacy.

Medicaid will allow Synagis claims processing to begin on October 26, 2010, to allow sufficient time for pharmacies to provide Synagis by November 1, 2010. Payment of Synagis claims prior to October 26, 2010, and after March 31, 2011, will not be allowed. Pharmacy providers should always indicate an accurate days' supply when submitting claims to N.C. Medicaid. Claims for

Synagis doses that include multiple vial strengths must be submitted as a single compound drug claim. Synagis doses that require multiple vial strengths that are submitted as individual claims will be subject to recoupment by DMA Program Integrity. Physicians and pharmacy providers are subject to audits of patient records by DMA Program Integrity.

**Pharmacy Distributor Information**

ACS will fax the approval notification to the pharmacy identified on the Prior Authorization Synagis Drug Request Form. Please ensure that approval notification is received before billing Synagis claims to Medicaid. The prior approval notification should be maintained according to required record keeping time frames.

**Changes in Drug Rebate Manufacturers**

The following change has 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>
49769	Kylemore Pharmaceuticals LLC	09/16/2010

### Checkwrite Schedule

September 08, 2010	October 05, 2010	November 02, 2010
September 14, 2010	October 13, 2010	November 09, 2010
September 23, 2010	October 19, 2010	November 18, 2010
	October 28, 2010	

### Electronic Cut-Off Schedule

September 02, 2010	September 30, 2010	October 28, 2010
September 09, 2010	October 07, 2010	November 04, 2010
September 16, 2010	October 14, 2010	November 10, 2010
	October 21, 2010	

*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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