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Published by HP Enterprise Services, fiscal agent for the North Carolina Medicaid Program  
1-800-688-6696 or 919-851-8888

## N.C. Medicaid Preferred Drug List Changes

Effective with date of service **November 1, 2011**, DMA will make changes to the N.C. Medicaid Preferred Drug List. Below are highlights of some of the changes that will occur:

- Addition of N.C. Health Choice
- Addition of the tetracycline derivatives drug class
- Addition of the pancreatic enzymes drug class including grandfathering of current users
- Addition of the topical steroids drug classes
- Addition of a one-time point-of-sale override for Pradaxa and new oral anticoagulants that enter the marketplace as non-preferred to allow transition to a preferred agent
- Removal of coverage from the outpatient pharmacy program of the IV formulations Actemra, Orenicia, Remicade, Boniva, pamidronate disodium, Reclast, Xgeva, and Zometa. (Coverage will continue under the Physicians Drug Program)
- Updates to the list of preferred brands (please see chart below):

Brand Name	Generic Name
Accolate	zafirlukast
Alphagan P	brimonidine
Aricept	donepezil
Astelín/Astepro	azelastine hydrochloride
Benzaclin	Clindamycin/Benzoyl Peroxide
Differin	adapalene
Exelon	rivastigmine
Lovenox	enoxaparin
Ovide	malathion

## New Prior Authorization Requirements for Vusion Ointment and Xolair Injection

Effective with date of service of **November 1, 2011**, the N.C. Medicaid Outpatient Pharmacy Program will begin requiring prior authorization for Vusion ointment and Xolair injection. The criteria and PA request forms for these medications will be available on the N.C. Medicaid Enhanced Pharmacy Program website at <http://www.ncmedicaidpbm.com>. Prescribers can request prior authorization by contacting ACS at 866-246-8505 (telephone) or 866-246-8507 (fax).

## Lidoderm and Provigil/Nuvigil Prior Authorization Changes

Effective with date of service **October 18, 2011**, there will be changes to the prior authorization criteria for Lidoderm and Provigil/Nuvigil. Lidoderm prior authorization criteria will include additional criteria for neuropathic pain and chronic musculo-skeletal pain. In addition to these two changes, new prescriptions will be limited to coverage of one box (30 patches) at the time of the first fill. Subsequent refills will be for up to a 34-day supply. Provigil/Nuvigil prior authorization criteria will include additional criteria for excessive fatigue associated with multiple sclerosis or myotonic dystrophy.

The criteria and PA request forms for these medications will be available on the N.C. Medicaid Enhanced Pharmacy Program website at <http://www.ncmedicaidpbm.com>. Prescribers can request prior authorization by contacting ACS at 866-246-8505 (telephone) or 866-246-8507 (fax).

## **Termination of Inactive Medicaid Provider Numbers**

As previously announced in the July 2011 bulletin, DMA has updated its policy for terminating inactive providers to reduce the risk of fraudulent and unscrupulous claims billing practices. Medicaid provider numbers that do not reflect any billing activity within the previous 12 months will be terminated. Unless the provider can attest that they have provided services to N.C. Medicaid recipients or Health Choice members in the previous 12 month period, the provider number will be terminated. A new enrollment application and agreement to re-enroll must be submitted for any provider terminated. As a result, a lapse in eligibility as a Medicaid provider may occur.

The termination activity occurs on a quarterly basis with provider notices being mailed April 1, July 1, October 1, and January 1 of each year and the termination dates being effective May 1, August 1, November 1, and February 1. These notices are sent to the current mailing address listed in the provider's file.

**Note:** Providers are reminded to update contact and ownership information timely.

## **Vacation Supply Prescriptions Limited to Once A Year**

Effective **October 1, 2011**, the use of the submission clarification code (03) to override a Drug Utilization Review (DUR) alert for a vacation prescription supply is limited to one fill during a five day span once a year. This allows the pharmacy provider time to call the prescriber when questions arise about the prescription. This will apply to non-controlled medications only. Vacation supplies and lost prescriptions are not allowed for controlled substances.

## **Removal of AWP from First DataBank**

First DataBank previously announced that they would be discontinuing publication of the Blue Book Average Wholesale Price (BBAWP) price element on **September 28, 2011**. N.C. Medicaid references WAC in almost all cases, but there are a few products where WAC is not being reported. If a new NDC is added after September 28, 2011 and there is no available pricing on the Medicaid master drugfile (WAC, SMAC or FUL), then providers will receive a new error message on rebatable products 'NDC REBATABLE/NO PRICING ON FILE'. There will be a process in place in the near future to supply pricing for these products.

## **Reporting Provider Fraud and Abuse**

The N.C. Department of Health and Human Services created a poster <http://www.ncdhhs.gov/dma/fraud/FraudPoster.pdf> asking citizens to report Medicaid fraud and abuse. In a memo <http://www.dhhs.gov/dma/fraud/FraudMemo.pdf> dated June 4, 2010, DHHS Secretary Lanier Cansler asked all health care agencies and private health care providers to print and prominently display the poster in their offices. These efforts continue to be a priority for the Department and the health care industry. Combating fraud/abuse and over use of services is an effective way to reduce health care costs without compromising recipient care.

You are encouraged to report matters involving Medicaid fraud and abuse. If you want to report fraud or abuse, you can remain anonymous; however, sometimes in order to conduct an effective investigation, staff may need to contact you. Your name will not be shared with anyone investigated. (In rare cases involving legal proceedings, we may have to reveal who you are.)

**N.C. Health Choice Transition**

Effective with date of service on and after **October 1, 2011**, N.C. Health Choice (NCHC) claims will be processed by DMA’s fiscal agent, HP Enterprise Services. For questions regarding claims processing, providers may contact the HP Provider Services Department at 1-800-688-6696, menu option 3. For dates of service prior to the transition date of October 1, 2011, providers will continue to submit pharmacy claims to Medco.

The Medicaid policy will apply, so all claims over \$9,999.99 will need to be billed on the Medicaid Pharmacy Claim Form located at <http://www.ncdhhs.gov/dma/forms/pharmclaim.pdf>

Active N.C. Medicaid providers that want to participate in NCHC will not need to take any action for NCHC enrollment. Any provider that is not currently enrolled in the N.C. Medicaid program that wants to provide care to NCHC members will need to complete the enrollment application on [www.nctracks.nc.gov](http://www.nctracks.nc.gov). CSC, DMA’s contractor for enrollment, verification and credentialing (EVC), is available to assist providers who want to participate in NCHC. CSC contact information is provided below.

Additional information will be provided to providers in the general N.C. Medicaid bulletin and on the NCHC webpage found on DMA’s website.

<b>Enrollment, Verification, and Credentialing Call Center Toll-Free Number</b>	866-844-1113
<b>EVC Call Center Fax Number</b>	866-844-1382
<b>EVC Call Center E-Mail Address</b>	<a href="mailto:NCMedicaid@csc.com">NCMedicaid@csc.com</a>
<b>CSC Mailing Address</b>	N.C. Medicaid Provider Enrollment CSC PO Box 300020 Raleigh NC 27622-8020
<b>CSC Site Address</b>	N.C. Medicaid Provider Enrollment CSC 2610 Wycliff Road, Suite 102 Raleigh NC 27607-3073
<b>CSC Website Address</b>	<a href="http://www.nctracks.nc.gov">http://www.nctracks.nc.gov</a>

**Upcoming Change to N.C. Health Choice Recipient Co-Payments**

Effective October 1, 2011, co-payment changes for N.C. Health Choice recipients will be in effect. N.C. Health Choice recipients will receive new ID cards and notification of the co-payment changes in September. Please see the table below for a detailed listing of all applicable co-payments for N.C. Health Choice recipients.

Income Level		Cost-Sharing
<b>Class A</b>	< 150% of FPL AND Native American OR Alaska Native	<ul style="list-style-type: none"> <li>• No enrollment fee</li> <li>• No co-pays at all</li> </ul>
<b>Class J</b>	< 150% of FPL	<ul style="list-style-type: none"> <li>• No enrollment fee</li> <li>• No provider visit co-pays</li> <li>• Non-emergency ER co-pay \$10</li> <li>• Generic Prescription co-pay \$1</li> <li>• Brand Prescription with NO generic available co-pay \$1</li> <li>• Brand prescription when generic available co-pay \$3</li> <li>• Over-the-counter medication co-pay \$1</li> </ul>
<b>Class K</b>	151% - 200% of FPL	<ul style="list-style-type: none"> <li>• \$50 enrollment fee, max \$100 for 2 or more children</li> <li>• Provider visit co-pay \$5</li> <li>• Non-emergency ER co-pay \$25</li> <li>• Generic Prescription co-pay \$1</li> <li>• Brand Prescription with NO generic available co-pay \$1</li> <li>• Brand prescription when generic available co-pay \$10</li> <li>• Over-the-counter medication co-pay \$1</li> </ul>
<b>Class S</b>	151% - 200% of FPL AND Native American OR Alaska Native	<ul style="list-style-type: none"> <li>• No enrollment fee</li> <li>• No co-pays at all</li> </ul>
<b>Class L</b> (Optional extended coverage)	201% - 225% of FPL	<ul style="list-style-type: none"> <li>• No enrollment fee</li> <li>• Pay monthly premiums</li> <li>• Provider visit co-pay \$5</li> <li>• Non-emergency ER co-pay \$25</li> <li>• Generic Prescription co-pay \$1</li> <li>• Brand Prescription with NO generic available co-pay \$1</li> <li>• Brand prescription when generic available co-pay \$10</li> <li>• Over-the-counter co-pay \$1</li> </ul>

## Procedures for PA Request for Synagis for RSV Season 2011/2012

### Provider Registration begins September 27, 2011

The clinical criteria utilized by N.C. Medicaid for the 2011/2012 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 approval (PA) is required** for Medicaid coverage of Synagis during the upcoming RSV season. The coverage season is November 1, 2011, through March 31, 2012. An Early and Periodic Screening, Diagnosis and Treatment (EPSDT) medical necessity review is performed for all Synagis requests.

Requesting PA for Synagis for the upcoming season will be an electronic process. Prompts, alerts, dropdown choices, attachment capability as well as free text opportunities will allow the provider

to submit a request with all information essential to justify medical necessity. When available, a note documenting the patient's pulmonary or cardiac status should always be submitted as an attachment. The electronic system can automatically approve requests and allows the provider to monitor the status of a pending request.

The electronic PA method will approve coverage of up to five monthly doses of Synagis, but each dose will be individually authorized on a monthly basis. After the initial approval, providers will submit very limited information such as the most recent weight of the child and date the prior dose was administered for authorization of subsequent doses. The number of doses requested for authorization by the provider should be adjusted if an infant received the first dose prior to a hospital discharge.

It is important for a pharmacy to have a Synagis authorization notification on hand prior to billing a claim to Medicaid. These notifications must be submitted to the pharmacy by the provider and will include the number of vials approved for the patient. A claim transmitted at POS will be denied if a prior approval request was not submitted by the provider or if the request was not approved. It is the responsibility of the provider to ensure the pharmacy has a prescription for Synagis.

### **Provider Registration**

Providers must register for access to the web-based system prior to submitting PA requests for Synagis. The registration process is completed online using the website [www.smartDUR.com](http://www.smartDUR.com). Providers receive a user ID and temporary password within several days of submitting a complete registration request. Providers who are already registered users of [www.documentforsafety.com](http://www.documentforsafety.com) may use the same user ID and password to access [www.smartDUR.com](http://www.smartDUR.com). Please call technical support at (855) 272-6576 for assistance with registration. System access will be restricted to registration for a limited period.

Registered providers can begin submitting prior approval requests for Synagis using the website [www.smartDUR.com](http://www.smartDUR.com) in early October. An email alert with the start date will be sent to providers who have completed registration.

### **Maximum of Five Doses**

Up to five doses during the season can be authorized for chronic lung disease (CLD) and hemodynamically significant congenital heart disease (HSCHD) for infants and children less than 24 months of age.

### **CLD**

The diagnosis causing the long-term respiratory problems must be specific. Treatment, such as supplemental oxygen, bronchodilator, diuretic or chronic corticosteroid therapy, in the six months before the start of the season is required.

### **HSCHD**

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, 2010;
- Born at an EGA of 29 weeks 0 days to 31 weeks 6 days and DOB is on or after May 2, 2011; or
- Born at an EGA of  $\leq$ 34 weeks 6 days and DOB is on or after November 2, 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.

The conditions of severe neuromuscular disease and congenital airway abnormalities should have an applicable ICD9-CM.

#### **Five Dose Authorization Exceptions**

Coverage of Synagis for CLD and HSCHD will terminate when the recipient exceeds 24 months of age AND has received at minimum three doses during the season. Coverage of Synagis for congenital abnormalities of the airways and severe neuromuscular disease that compromises handling of respiratory secretions will terminate when the recipient exceeds 12 months of age AND has received at minimum three doses during the season. For these occurrences, coverage will continue to ensure a medication supply for three doses.

#### **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 0 days to 34 weeks 6 days, and DOB is on or after August 2, 2011, 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)]. The child care facility must be identified.
  - ◆ Has a sibling younger than five years of age in the home. A multiple birth sibling does not meet this requirement.

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 a Request to Exceed Policy**

For doses exceeding policy or for Synagis administration outside the defined coverage period, the provider should use the **Non-Covered State Medicaid Plan Services Request Form for**

**Recipients Under 21 Years of Age** to request Synagis. The form is available on DMA's website at <http://www.ncdhhs.gov/dma/epsdt/>. A medical necessity review will be done under EPSDT (see <http://www.ncdhhs.gov/dma/epsdt/index.htm>); if the information provided justifies medical need, the request will be approved.

### **Pharmacy Distributor Information**

Medicaid will allow Synagis claims processing to begin on October 26, 2011, to allow sufficient time for pharmacies to provide Synagis by November 1, 2011. Payment of Synagis claims prior to October 26, 2011, and after March 31, 2012, will not be allowed. POS claims should not be submitted by the pharmacy distributor prior to the first billable date of service for the season. 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.

Providers will fax the approval notification to the pharmacy distributor of choice. Single dose vial specific authorizations will be done by DMA up to the maximum number of doses approved for the patient. Please ensure that an authorization notification is received before billing a Synagis claim to Medicaid. The authorizations should be maintained in accordance with required record keeping time frames.

### **Provider Information**

- Provider should call (855) 272-6576 for assistance with registration or technical issues. Contact DMA at (919) 855-4300 for other concerns including policy questions.
- Providers without internet access should contact Charlene Sampson at (919)855-4300 to facilitate submission of a PA request for Synagis.
- Providers are responsible for the accuracy of information inputted for a Synagis request. Physicians and pharmacy providers are subject to audits of patient records by DMA Program Integrity.

### **NCPDP Version D.0 Implementation Schedule**

In accordance with 45 CFR Part 162 – Health Insurance Reform; Modifications to the <http://www.ncdhhs.gov/dma/hipaa/index.htm>; Final Rule, HIPAA-covered entities, which include state Medicaid agencies, must adopt modifications to the HIPAA required standard transactions by January 1, 2012. The modifications are to the HIPAA named transactions to adopt and implement ASC X12 version 5010 and NCPDP Telecommunication version D.0. North Carolina Medicaid has published a companion guide for NCPDP D.0. to assist providers and trading partners in their effort to become HIPAA compliant. This companion guide is specific to N.C. Medicaid and is 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.ncdhhs.gov/dma/hipaa/compguides.htm>

Medicaid will implement NCPDP Version D.0 on November 22, 2011 and will continue to support NCPDP 5.1 until December 31, 2011.

## 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 date indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
15749	American Antibiotics, Inc	09/14/2011
51144	Seattle Genetics, Inc	09/26/2011
62250	Belcher Pharmaceuticals, LLC	09/14/2011
75987	Horizon Pharma, Inc	09/06/2011
76181	Talec Pharma	09/01/2011

### Terminated Labeler

The following labeler will be terminated from the Medicaid Drug Rebate Program effective October 1, 2011:

Ferndale Laboratories

(Labeler 00496)

### Checkwrite Schedule

September 07, 2011	October 12, 2011	November 08, 2011
September 13, 2011	October 18, 2011	November 15, 2011
September 22, 2011	October 27, 2011	November 23, 2011
October 04, 2011	November 01, 2011	

### Electronic Cut-Off Schedule

September 01, 2011	October 06, 2011	November 03, 2011
September 08, 2011	October 13, 2011	November 10, 2011
September 15, 2011	October 20, 2011	November 17, 2011
September 29, 2011	October 27, 2011	

*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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