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New Prior Authorization Requirements for Brand Name Fibrates and Lovaza

Effective with dates of service of November 17, 2009, the N.C. Medicaid Outpatient Pharmacy Program began requiring prior authorization for Brand Name Fibrates and Lovaza. Prescribers can request prior authorization by contacting ACS at 866-246-8505 (telephone) or 866-246-8507 (fax). The criteria and PA request form for these medications are available on the N.C. Medicaid Enhanced Pharmacy Program website at <http://www.ncmedicaidpbm.com>. Medications that now require prior authorization include Antara, Fenoglide, Lipofen, Lofibra, Lopid, Tricor, Triglide, Trilipix, and Lovaza.

Drug Utilization Review Early Refill Alert

DMA is continuing to see a large number of claims that are denied with the early refill alert and are subsequently being rebilled by overriding the denial at the point-of-sale. In accordance with the Clinical Coverage Policy 9, Outpatient Pharmacy Program, pharmacy providers are reminded that there is no provision for payment by N.C. Medicaid for early refills on controlled substances except in the event that a recipient's therapy has changed. Providers are cautioned to carefully consider the appropriateness of overriding the Drug Utilization Review (DUR) early refill alert. When using 05 to designate a therapy change, the provider should verify that indeed a therapy change did occur.

Program Integrity will monitor the use of the early refill override codes. Claims billed with the incorrect override code, overridden for an invalid reason, or otherwise not in compliance with policy will be subject to recoupment.

Payment Error Rate Measurement in North Carolina

In compliance with the Improper Payments Information Act of 2002, CMS implemented a national Payment Error Rate Measurement (PERM) Program to measure improper payments in the Medicaid Program and the State Children's Health Insurance Program (SCHIP). North Carolina has been selected as one of 17 states required to participate in PERM reviews of Medicaid fee-for-service and Medicaid managed care claims paid in federal fiscal year 2010 (October 1, 2009, through September 30, 2010). The PERM SCHIP measurement is on hold until publication of the new final rule.

CMS is using two national contractors to measure improper payments. One of the contractors, Livanta LLC (Livanta), will be communicating directly with providers and requesting medical record documentation associated with the sampled claims. Providers will be required to furnish the records requested by Livanta, within a timeframe indicated by Livanta.

It is anticipated that Livanta will begin requesting medical records for North Carolina's sampled claims in January 2010. Providers are urged to respond to these requests promptly with timely submission of the requested documentation.

Providers are reminded of the requirement in Section 1902(a)(27) of the Social Security Act and federal regulation 42 CFR Part 431.107 to retain any records necessary to disclose the extent of services provided to individuals and, upon request, furnish information regarding any payments claimed by the provider rendering services.

Non-Coverage of Cough and Cold Medications

Effective **December 1, 2009**, N.C. Medicaid will stop covering prescription medications used to treat the symptoms of cough and colds. The cough and cold medications included are those that have a cough suppressant and a cough expectorant. Products that do not have a cough suppressant or an expectorant will continue to be covered

Prodigy Diabetic Supplies Under the Durable Medical Equipment and Pharmacy Programs

Effective November 15, 2009, Prodigy Diabetes Care, LLC, will be N.C. Medicaid's designated preferred manufacturer for glucose meters, diabetic test strips, control solutions, lancets, lancing devices, and syringes. Beginning on this date of service, only Prodigy test strips, control solutions, lancets, lancing devices, and syringes will be covered by N.C. Medicaid. This change will apply only to Medicaid-primary recipients (dually eligible and third-party recipients are not affected). **Note:** These requirements will not apply to private duty nursing and home health providers until February 1, 2010.

The following table lists the National Drug Codes (NDCs) that are included under this program; for meters, please call your wholesaler or Prodigy Diabetes Care, LLC.

Covered Product	Package Size	Unit Type	NDC-11
Prodigy Pocket™ Meter Kit - Black	1 Meter Kit	1 Meter	08484-0708-00
Prodigy Pocket™ Meter Kit - Pink	1 Meter Kit	1 Meter	08484-0708-01
Prodigy Pocket™ Meter Kit - Blue	1 Meter Kit	1 Meter	08484-0708-02
Prodigy Pocket™ Meter Kit -Green	1 Meter Kit	1 Meter	08484-0708-03
Prodigy Pocket™ Meter Kit -Camouflage	1 Meter Kit	1 Meter	08484-0708-04
Prodigy Pocket™ Meter Kit –Pink Camouflage	1 Meter Kit	1 Meter	08484-0708-05
Prodigy AutoCode® Talking Meter Kit	1 Meter Kit	1 Meter	08484-0701-20
Prodigy Voice™ Meter Kit	1 Meter Kit	1 Meter	08484-0719-50
Prodigy™ No Coding Test Strips	50 ct Bottle	1 Bottle	08484-9902-50
Prodigy Control Solution (Low)	1 Bottle	1 Bottle	08484-9903-10
Prodigy Twist Top Lancets 28G	100 ct Box	1 Box	08484-9903-28
Prodigy Lancing Device, Adj. Depth w/ Clear Cap	100 ct Box	1 Box	08484-9903-55
Prodigy Syringe 28G 12.7mm – 1 cc (100 ct)	100 ct Box	1 Box	08484-9904-30
Prodigy Syringe 31G 8mm – ½ cc (100 ct)	100 ct Box	1 Box	08484-9904-35
Prodigy Syringe 31G 5/16 mm- 1/3 cc (100 ct)	100 ct Box	1 Box	08484-9904-38

In addition, effective November 15, 2009, diabetic test strips, control solutions, lancets, and lancing devices were added to the list of over-the-counter products covered under the Outpatient Pharmacy Program. These products are covered under the pharmacy point-of-sale system with a prescription.

Billing Instructions for Submitting Claims for Diabetic Supplies under Durable Medical Equipment

Claims for diabetic test strips, control solutions, lancets, lancing devices, and syringes submitted under the Durable Medical Equipment (DME) Program must be billed using the NDC in addition to the HCPCS code. The NDC will be entered in the shaded area of block 24A of the CMS-1500 claim form. (For information on how to bill with NDCs, please refer to the [March 2009 Special Bulletin, National Drug Code Implementation, Phase III](#), on DMA's website.

Test strips must be billed in units (1 unit = 50 strips) and syringes and lancets must also be billed in units (1 unit = 100 syringes or lancets).

A transition period will be in place from November 15, 2009, through February 15, 2010 (this transition period is not a postponement), in which a one-time, per-recipient, per-product override will be allowed. In addition to modifier NU, DME providers will need to place the SC modifier in block 24D of the CMS-1500 claim form to bypass the requirement to bill for Prodigy NDCs (as listed in the chart above). Following February 15, 2010, this modifier will no longer be acceptable for use with diabetic supplies for DME and only the Prodigy NDCs referenced above will be covered.

HCPCS codes and supply limits for diabetic supplies remain the same as outlined in Clinical Coverage Policy 5A, *Durable Medical Equipment*, as indicated below:

HCPCS Code	Product Description	Quantity
S8490	Insulin syringes (1 unit = 100 syringes)	200 syringes per month
A4253	Blood glucose test or reagent strips (1 unit = 50 strips)	200 strips per month
A4259	Lancets (1 unit = 100 lancets)	200 per month
A4258	Lancing Device	2 per year
A4256	Normal, high, low calibrator solution	4 per year
E0607	Home blood glucose monitor	1 every 2 years
E2100	Blood glucose monitor with voice synthesizer	1 every 3 years

For patients on insulin pumps incompatible with Prodigy® products, there will be an override process available for patients who cannot use Prodigy products for clinical reasons. In these instances, the provider must be a DME provider. The following protocol in Clinical Policy 5A section 5.5 needs to be followed for overrides. Submit the denial to DMA at the designated diabetic supply override fax line @ 919-715-3166 along with the required medical necessity forms. Consideration will be given to the request and a written decision will be returned to the provider.

Billing Instructions for Submitting Diabetic Supplies under Pharmacy Point-of-Sale System

Claims for diabetic test strips, control solutions, lancets, lancing devices, and syringes submitted at point-of-sale must be billed using the NDC. Test strips must be billed in multiples of 50 and syringes and lancets must be billed in multiples of 100. For Medicaid billing, 1 lancing device = 1 unit. Rates apply to these diabetic supplies; therefore, no copayments and no dispensing fees apply.

A transition period will be in place from November 15, 2009, through February 15, 2010 (this transition period is not a postponement), in which a one-time, per-recipient, per-product override will be allowed under the pharmacy point-of-sale system for covered diabetic supplies that are not the Prodigy brand. Pharmacy providers can place a “1” in the prior authorization type code field (461-EU) or a “2” in the submission clarification code field (420-DK) to override the requirement to bill for Prodigy NDCs. Following February 15, 2010, this override will no longer be available and only the Prodigy NDCs referenced above will be covered. Diabetic supply limits will be the same as under the DME Program. Prior authorization requests for additional quantities or for non-Prodigy diabetic supplies must go through the DME Program.

Diabetic supplies do not have to be purchased at the same pharmacy unless the recipient is locked into a pharmacy. Recipients identified for the Focused Risk Management (FORM) Program who require more than 11 unduplicated prescriptions each month are restricted to a single pharmacy. In these cases, the diabetic supplies must be purchased at the same pharmacy.

For additional information, providers may call Prodigy Diabetic Care, LLC at 1-866-540-4816, DMA Clinical Policies and Programs at 919-855-4310 (DME) or 919-855-4300 (Pharmacy).

Changes in Drug Rebate Manufacturers

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

Addition

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

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
40042	PharmaForce, Inc	10/28/2009
43469	Zars Pharma, Inc	10/22/2009
46129	Paladin Labs (USA), Inc	10/23/2009
48818	Allos Therapeutics Inc	10/28/2009
61971	Vista Pharmaceuticals, Inc	10/27/2009

Checkwrite Schedule

November 10, 2009	December 08, 2009
November 19, 2009	December 15, 2009
December 01, 2009	December 23, 2009
November 10, 2009	December 08, 2009
	December 15, 2009

Electronic Cut-Off Schedule

November 05, 2009	December 03, 2009
November 12, 2009	December 10, 2009
November 25, 2009	December 17, 2009
November 05, 2009	

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.

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

Craig L. Gray, MD., MBA., JD
Director
Division of Medical Assistance
Department of Health and Human Services

Ann Slade, R.Ph.
Chief, Pharmacy Review Section
Division of Medical Assistance
Department of Health and Human Services

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

Melissa Robinson
Executive Director
HP Enterprise Services