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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

Terminated NDC's

The following products were terminated due to market withdrawal by Eli Lilly. Therefore, these drugs have been deleted from the CMS Master Drug Rebate (MDR) file of covered drugs effective as of **October 25, 2011**.

NDC	DRUG NAME
00002755901	XIGRIS
00002756101	XIGRIS

Roche ACCU-CHEK Diabetic Supplies Under the DME and Pharmacy Programs

Effective November 15, 2011, Roche Diagnostics Corporation Diabetes Care is N.C. Medicaid's designated preferred manufacturer for blood glucose monitors, diabetic test strips, control solutions, lancets, and lancing devices. These products are covered under the Durable Medical Equipment and Outpatient Pharmacy Programs and will be reimbursed under the pharmacy point-of-sale system with a prescription. There will be an initial transition period from November 15, 2011 through December 14, 2011 when both Roche and Prodigy diabetic supplies will be covered. Beginning on December 15, 2011, a second transition period will be available where both Prodigy and Roche diabetic supplies will be covered; however, a one time override will be required for continued use of Prodigy products until January 15, 2012. As of **January 15, 2012**, only Roche diabetic supplies will be covered. Prior authorization will be allowed for insulin-pump dependent recipients who cannot use Roche products. Pharmacy and DME providers need to ensure that invoices are easily retrievable in case documentation is needed to support the billing of these products. This could be requested to support the quantities being invoiced to Roche for the rebates due back to N.C. Medicaid and N.C. Health Choice.

Effective November 15, 2011, there are no designated preferred manufacturers of insulin syringes.

The following are the list of NDC's that will be covered:

Covered Products	Package Size	Unit Type	NDC-11
ACCU-CHEK Aviva Care Kit	1 Meter Kit	1 Meter	65702-0101-10
ACCU-CHEK Compact Plus Care Kit	1 Meter Kit	1 Meter	50924-0019-01
ACCU-CHEK Aviva Test Strips	50 count	1 bottle	65702-0103-10
ACCU-CHEK Compact Test Strips	51 count	1 bottle	50924-0988-50
ACCU-CHEK Aviva Plus Test Strips	50 count	1 bottle	65702-0407-10
ACCU-CHEK Aviva Control Solution (2 levels)	1 bottle	1 bottle	65702-0107-10
ACCU-CHEK Compact Control Solution (2 levels)	1 bottle	1 bottle	65702-0369-10
ACCU-CHEK Multiclix Lancets	102 count	1 box	50924-0450-01
ACCU-CHEK Softclix Lancets	100 count	1 box	50924-0971-10
ACCU-CHEK Softclix Lancing Device (Blue)	1 count	1	50924-0957-01
ACCU-CHEK Softclix Lancing Device (Black)	1 count	1	65702-0400-10
ACCU-CHEK Multiclix Lancing Device Kit	1 count	1	50924-0446-01

Billing Instructions for Submitting Diabetic Supplies under DME

Claims for diabetic test strips, control solution, lancets and lancing devices submitted under the 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. During the time period December 15, 2011 through January 15, 2012 when the one time override is available for Prodigy products, 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 Roche NDCs listed in the chart above. Following January 15, 2012, this modifier will no longer be accepted. These requirements will not apply to private duty nursing and home health providers until February 15, 2012.

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

HCPCS Code	Product Description	Quantity Limit
A4253	Blood glucose test or reagent strips (1 unit = 50 strips)	4/month – age \geq 21
A4253	Blood glucose test or reagent strips (1 unit = 50 strips)	6/month – age $<$ 21
A4259	Lancets (1 unit = 100 lancets)	2/month
A4258	Lancing device	2/year
A4256	Normal, high, low calibrator solution	4/year

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

Claims for diabetic test strips, control solution, lancets and lancing devices submitted at point-of-sale must be billed using the NDC. Test strips must be billed in multiples of 50 and lancets must be billed in multiples of 100 except for the ACCU-CHEK Compact Test Strips, 51 count package size and the ACCU-CHEK Multiclix Lancets, 102 count package size. In order to accommodate the unbreakable package sizes under the pharmacy point-of-sale system, the ACCU-CHEK Compact Test Strips (NDC 50924-0988-50) can be billed up to 204 test strips per month for recipients 21 years of age and older and up to 306 test strips per month for recipients under 21 years of age will be allowed. **At this time, test strip quantities over 204 per month must be requested through the DME program; however, point-of-sale system changes are underway to accommodate higher quantity limits for pediatric recipients. Additional information will be provided when this system change has been completed.** The same rules apply for the ACCU-CHEK Multiclix Lancets (NDC 50924-0450-01). For Medicaid billing, 1 lancing device = 1 unit. Rates apply to these diabetic supplies; therefore, no copayments and no dispensing fees apply.

During the time period December 15, 2011 through January 15, 2012 when the one time override is available for Prodigy products, pharmacy providers can place a “1” in the prior authorization type code field (461-EU) or a “2” in the submission clarification field (420-DK) to override the requirement to bill for Roche NDCs. Following January 15, 2012, this override will no longer be available and only the Roche 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-Roche diabetic supplies must go through the DME program.

Blood Glucose Monitors

ACCU-CHEK Aviva and Compact Plus blood glucose monitors are free to N.C. Medicaid and N.C. Health Choice recipients through the DME and Outpatient Pharmacy Programs. DME providers will have access to free blood glucose monitors to supply to recipients. Pharmacy providers can dispense free blood glucose monitors to recipients by submitting the following information to Roche Diagnostics:

Rx GRP (Carrier Group): MAX26266

ID#: IACCUCHEK

Suffix (Dependent) Code: 01

Rx BIN#: 610415

PCN: PCS

COB: Primary

Other Coverage Code: Blank

For additional information, providers may call ACCU-CHEK Customer Care, 1-877-906-8969.

Federal Upper Limit Reimbursement

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:

NDC	DRUG NAME
00093075701	PIROXICAM 20 MG CAPSULE
00093075705	PIROXICAM 20 MG CAPSULE
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
00168005515	BETAMETHASONE DP 0.05% CRM
00168005546	BETAMETHASONE DP 0.05% CRM
00168020230	CLINDAMYCIN PH 1% GEL
00168020260	CLINDAMYCIN PH 1% GEL
00168025815	CLOTRIMAZOLE-BETAMETHASONE CRM
00168025846	CLOTRIMAZOLE-BETAMETHASONE CRM
00168031004	DESONIDE 0.05% LOTION
00185072401	CARISOPRODOL COMPOUND TAB
00185072405	CARISOPRODOL COMPOUND TAB
00378641001	DOXEPIN 100 MG CAPSULE

00378641010	DOXEPIN 100 MG CAPSULE
00472037915	CLOTRIMAZOLE-BETAMETHASONE CRM
00472037945	CLOTRIMAZOLE-BETAMETHASONE CRM
00472080302	DESONIDE LOTION 0.05%
00472080304	DESONIDE 0.05% LOTION
00487990401	ALBUTEROL SUL 1.25 MG/3 ML SOLN
00487990402	ALBUTEROL SUL 1.25 MG/3 ML SOLN
00487990425	ALBUTEROL SUL 1.25 MG/3 ML SOLN
00527142635	OXYCODONE CONC 20 MG/ML SOLN
00527142636	OXYCODONE CONC 20 MG/ML SOLN
00574025001	HYOSCYAMINE 0.125 MG TAB SL
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
24208034205	DESMOPRESSIN NASAL SOLN 0.01%
24208058060	GENTAMICIN OPTH SOLN
24208058064	GENTAMICIN 3 MG/ML 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

50111064801	FLUOXETINE 20MG CAP
50111064802	FLUOXETINE HCL 20 MG CAPSULE
50111064803	FLUOXETINE HCL 20 MG CAPSULE
50111064844	FLUOXETINE HCL 20 MG CAPSULE
51672126201	DESOXIMETASONE 0.25% OINTMEN
51672126203	DESOXIMETASONE 0.25% OINTMEN
51672126207	DESOXIMETASONE 0.25% OINTMEN
51672126301	NYSTATIN-TRIAMCINOLONE CREAM
51672126302	NYSTATIN-TRIAMCINOLONE CREAM
51672126303	NYSTATIN-TRIAMCINOLONE CREAM
51672127201	NYSTATIN-TRIAMCINOLONE OINT
51672127201	NYSTATIN-TRIAMCINOLONE OINTM
51672127202	NYSTATIN-TRIAMCINOLONE OINTM
51672127203	NYSTATIN-TRIAMCINOLONE OINTM
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
60758018805	GENTAMICIN 3 MG/ML EYE DROPS
61314070101	SULFACETAMIDE 10% EYE DROPS
68462034737	OXYCODONE CONC 20 MG/ML SOLN

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 used.

Pharmacy providers should report reimbursement issues to the N.C. Medicaid program at 919-855-4300. The use of the DAW1 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.

Medicaid and Health Choice Provider Payment Suspensions

In accordance with the Federal requirements set forth in 42 C.F.R § 455.23, the Medicaid Agency is required to suspend payments of providers having a credible allegation of fraud. NC Session Law 2011-399 expands DMA's responsibility to include suspending payments to providers who owe a final overpayment, assessment or fine and who have not entered into an approved payment plan the Department of Health and Human Services (DHHS). DHHS may suspend payments to all provider numbers, who share the same IRS Employee Identification Number or corporate parent as the provider who owes the repayment or has a credible allegation of fraud.

Automatic Refills and Automatic Shipments No Longer Allowed

Effective January 1, 2012, automatic refills and automatic shipments are not allowed under the N.C. Medicaid Outpatient Pharmacy Program. N.C. Medicaid does not pay for any prescription without an explicit request from a recipient or the recipient's responsible party, such as a caregiver, for each refilling event. The pharmacy provider shall not contact the recipient in an effort to initiate a refill unless it is part of a good faith clinical effort to assess the recipient's medication regimen. The possession, by a provider, of a prescription with remaining refills authorized does not in itself constitute a request to refill a prescription. Recipients or providers cannot waive the explicit refill request and enroll in an electronic automatic refill program.

Any prescriptions filled without a request from a recipient or their responsible party will be subject to recovery. Any pharmacy provider with a policy that includes filling prescriptions on a regular date or any type of cyclical procedure will be subject to audit, claim recovery or possible suspension or termination of their Medicaid provider agreement.

Point-of-Sale Override for Leukotrienes, Statins, Orally Inhaled Steroids, and Second Generation Anticonvulsants

This is a reminder that pharmacists can override a point-of-sale message that prior authorization (PA) is required for leukotrienes, statins, orally inhaled steroids, and second generation anticonvulsants (for seizure disorders only) for both N.C. Medicaid and N.C. Health Choice drug claims. If the prescriber has indicated that the PA criteria have been met, by writing "**Meets PA Criteria**" on the face of the prescription in his or her own handwriting, the pharmacist will be able to override the PA edit for these drugs. This information may also be entered in the comment block on e-prescriptions. If the prescribed drug in one of these drug classes has a generic version available, "**medically necessary**" must also be written on the face of the prescription in the prescriber's own handwriting in order to dispense the brand name drug. A "1" in the PA field (461-EU) or a "2" in the submission clarification field (420-DK) will override the PA edit. These overrides will be monitored by Program Integrity.

Providers may also contact ACS at 1-866-246-8505 (telephone) or 1-866-246-8507 (fax) to request PA for these medications. The PA criteria and request form for these drug classes are available on the N.C. Medicaid Enhanced Pharmacy Program website at <http://www.ncmedicaidpbm.com>. If the PA is approved by ACS, the POS override codes will not be needed.

Provider Responsibilities in a Program Integrity Review or Audit

Program Integrity (PI) reviews or audits may be conducted in person or by mail (referred to as a desk review). Onsite visits to providers and their recipients may be unannounced (this is a routine procedure) or unannounced. These reviews may be referred to as post payment reviews, quality assurance reviews or compliance audits.

In order that these reviews run as smoothly as possible, providers should adhere to the following steps when a review has been initiated. PI will request medical and/or financial records either by mail or in person. The records must be provided upon request. The intent of the record request is to substantiate all services and billings to Medicaid or Health Choice adhere to the required medical record documentation standards, substantiate provider qualifications, delivery of service in accordance to policy, requirements and rules, and that business and administrative practices are within acceptable practices. Financial or business record request may include such documents as personnel and timekeeping records, invoices, chart of accounts, general ledger, minutes of committee meetings, audited or internally prepared financial statements, bank loan documents. Failure to submit the requested records will result in recoupment of all payments for the services, suspension of payments and may constitute further actions of investigation resulting in termination from the Medicaid/Health Choice program and referral to the Medicaid Fraud Investigative Unit for review for criminal or civil prosecution.

For the purpose of Medicaid and Health Choice billing, providers must maintain records for six years in accordance with the record keeping provisions of the Medicaid Provider Administrative Participation Agreement. Other record retention schedules may be required by other State or federal oversight agencies, funding streams or accrediting/certification bodies and Medicaid/Health Choice requirements do not override those requirements of other oversight bodies.

If you receive a Tentative Notice of Overpayment letter from PI, review the information in the letter and chart. You have two options:

1. If you agree with the findings of an overpayment, use the form sent with the letter to indicate your preferred method for reimbursing DMA. The options include sending check or having the repayment withheld from future Medicaid payments. It is the preference of the DMA to have the funds withheld in a future checkwrite. If you choose to submit a check, please send your check, along with the form issued to you from DMA Program Integrity which includes your case number, to DMA Accounts Receivable at the address on the letter. **Do not send the check to HP Enterprise Services, as this could result in a duplication of your payment or failure to accurately record the submission of the payment.** Also, do NOT request that HP Enterprise Services adjust for the amount or items identified, as this could result in duplicate recoupment.
2. If you disagree with the overpayment decision by PI and want a reconsideration review, return the enclosed hearing request form enclosed in the letter and return to the DHHS Hearing Unit at the address on the letter. **Please pay close attention to the time frames and procedures for requesting a reconsideration review.**

Appeals:

Informal: Reconsideration Review – A provider who disagrees with the decision may request an informal reconsideration review and submit additional relevant documentation for review. Please read the letter from DMA regarding the time frame for submitting a reconsideration review request. The reconsideration review is an informal procedure. The case will be reviewed by an independent Hearing Officer who will send the provider a written decision.

Formal: Contested Case Hearing – If the provider is not satisfied with the outcome of the informal review, or if the provider chooses not to have an informal review, the provider may file a request for a contested case hearing at the Office of Administrative Hearings (OAH). Pay close attention to the specific time frames and procedures for requesting a contested case hearing at OAH. Once the request is received, OAH will contact the provider regarding scheduling of the case.

N.C. Medicaid Preferred Drug List Changes

Effective with date of service **November 15, 2011**, the Division of Medical Assistance (DMA) made the following changes to the N.C. Medicaid Preferred Drug List. Below are highlights of some of the changes that occurred:

- 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 medications Actemra, Orencia, 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
Astelin/Astepro	azelastine hydrochloride
Benzaclin	Clindamycin/Benzoyl Peroxide
Differin	adapalene
Exelon	rivastigmine
Lovenox	enoxaparin
Ovide	malathion
Uroxatral	alfuzosin

Vacation Supply Prescriptions Limited to Once a Year

As previously stated in the September 2011 issue of the N.C. Medicaid Pharmacy Newsletter, 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 will allow the pharmacy provider to call the prescriber when questions arise about the prescription. This will apply to non-controlled medications only. Vacation supply and lost prescriptions are not allowed for controlled substances.

Makena No Longer Covered Under the Outpatient Pharmacy Program

Effective **November 1, 2011**, Makena, the branded version of hydroxyprogesterone caproate (known as 17P), is no longer covered under the N.C. Medicaid Outpatient Pharmacy Program. Makena will continue to be covered under the Physicians Drug Program. The compounded version of 17P continues to be covered under both programs. Please refer to the July 2011 N.C. Medicaid Bulletin for billing information for compounded 17P and Makena (<http://www.ncdhhs.gov/dma/bulletin/>).

NCPDP Version D.0 Implementation Schedule

In accordance with 45 CFR Part 162 – Health Insurance Reform; Modifications to the Health Insurance Portability and Accountability Act (HIPAA); 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 implemented NCPDP Version D.0 on November 18, 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 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>
59834	Orchidpharma, Inc	10/24/2011

Terminated Labeler

The following labeler will be terminated from the Medicaid Drug Rebate Program effective January 1, 2012:

codaDOSE Incorporated	(Labeler 43378)
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Checkwrite Schedule

November 08, 2011	December 06, 2011
November 15, 2011	December 13, 2011
November 23, 2011	December 22, 2011

Electronic Cut-Off Schedule

November 03, 2011	December 01, 2011
November 10, 2011	December 08, 2011
November 17, 2011	December 15, 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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