



An Information Service of the Division of Medical Assistance

**North Carolina
Medicaid Pharmacy
Newsletter**

Number 141

December 2006

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Medicare Part D Prescription Drug Changes Beginning Jan. 1, 2007

Medicare and Social Security are making decisions about whether some people who qualify for extra prescription drug help, low income subsidy (LIS) or dual status in 2006, will continue to qualify in 2007. Therefore, beginning Jan. 1, 2007, providers should verify if an individual continues to qualify for the low-income subsidy (LIS), or dual status, which means these individuals would have co-pays as low as \$0 and as high as \$5.35. Providers should also remember to verify the prescription drug plan (PDP), as some individual plans may change with an effective date of Jan. 1, 2007.

Individuals affected by these changes will receive information and notices from Medicare or Social Security. The individuals that receive notices stating that they will not qualify for the extra prescription drug help in 2007 are encouraged to complete another application, which will be enclosed with their notice.

Individuals that will automatically continue to qualify for the extra help in 2007 will also receive notices. These notices will state that they continue to qualify for the extra prescription drug help for 2007, and they do not need to take any action, as they will automatically continue to be enrolled for the extra prescription drug assistance. Also, these individuals who continue to automatically qualify for the extra prescription drug help in 2007 may be subject to co-pay increases or decreases. The copayment level change will depend upon changes to their living arrangement, income level, resources, and household size.

Drug Coverage under Hospice

Recipients who are enrolled in the hospice program are covered under a per diem rate, which covers all services for that recipient. The pharmacist will be notified via the POS system if the recipient is enrolled in hospice. If so, all drug claims will be denied with the message "***recipient claim covered by hospice.***" If the drug happens to be used for an indication not directly related to the recipient's terminal illness, then an override will be available. ***A '1' in the PA field and the ICD9 code in the diagnosis field for the patient's terminal illness will override the hospice edit.*** It is acceptable to use the three (3) digit ICD9 code. Do not use the ICD9 code for the indication of the drug. There will be some drug classes where overrides will not be allowed. These drug classes include narcotic analgesics, hematinics, antiemetics and most chemotherapeutics.

The overrides will be monitored by Program Integrity. All questions concerning drug coverage for these patients should be directed to the patient's assigned hospice. Pharmacy providers should contact the Division of Medical Assistance (919-855-4300) with questions regarding Medicaid coverage of pharmacy claims in the four drug classes for which overrides are not allowed. If it is determined that Medicaid coverage is appropriate, then the provider will be given billing instructions at the time of the call.

Billing Procedures for Compounds

Compounds that contain only qualifying legend drugs are to be billed on POS. However, if the claim is over \$9,999.00, it will need to be billed on paper. The “new” procedure for billing compounds is to be used (see Outpatients Pharmacy Program Clinical Coverage Policy No: 9 section I – Compounded Drugs) <http://www.dhhs.state.nc.us/dma/pharmacy/9pharmacy.pdf>

This procedure will allow each drug in the compound to be billed separately with its own NDC on the NC Medicaid paper claim form. In addition, the compound indicator will need to be used to avoid duplicate denials and extra dispensing fee payment errors. This indicator will be the letters A-Z excluding N, X and Y, in the block formerly used for EPSDT. For example, the first compound of the month for each recipient will be “A”; the second compound different ingredients will be “B” etc. Use the same letter for each line item within the compound. If billing for the same compound in the same month, then you must use the same compound indicator code. In the example on page 4 of this newsletter, you will note that Rx 1234 has a compound indicator of “A” for the first fill, so an “A” should be used each time the same compound prescription is submitted.

If the compound contains OTCs, the “old” method with the NC Medicaid compound NDC 00990-0000-00 on the detail line should be used or you may elect to forfeit payment for the OTCs and bill only the legend prescription drugs via POS. When billing with the NC Medicaid compound NDC, you will need to list all individual ingredients at the bottom of the claim form with the actual NDC, drug name, quantity, and cost per ingredient noted. Omitting any of this information will result in a denial. The total cost for all ingredients plus the dispensing fee should equal what is listed on the detail line as billed. If there is a second compound claim with different ingredients within the same month for the same recipient the compound NDC will sequence 00990-1000-00 up to 00990-9000-00. If submitting a compound prescription more than once within the same month, be sure to file the same compound NDC.

In order for a compound containing OTCs to be covered by NC Medicaid, it is required that at least one main ingredient be covered under the Drug Rebate program. Chemicals that do not have NDCs are not reimbursable. ***It is considered fraud to use a manufacturer’s NDC if their product is not actually being dispensed.*** If questionable claims are submitted, invoices may be requested to prove certain drugs are actually in stock. NC Medicaid does not accept the billing of the NDC for the main ingredient of a compound because this results in over billing of units for manufacturers rebates. If we determine that this practice is occurring, the claims will be recouped.

If it appears that compounds submitted on paper are being under paid, this is more than likely being caused by billing for NDCs that are terminated or using manufacturers products that are not part of the Drug Rebate program. This will result in receiving payment only on the ingredients within the compound that are payable.

The following manufacturers provide products most commonly used for compounding, but they are not currently participating in the Drug Rebate program. Keep in mind that this list can change and is only a small excerpt of non-rebate manufacturers.

38779 Medisca;
49452 Spectrum;
51927 Professional Co;
62991 Meridian

ICN (DO NOT WRITE IN THIS SPACE)

ORIGINAL

PLEASE STAMP
PAM DRUG # 0123456

SERVICE DATE
12 2006
MO. YR.

ROUTE ORIGINAL TO
EDS
P.O. BOX 300001
RALEIGH, NC 27622-3001

PHARMACY LOCATION
 Rest Home
 Intermediate Care Facility
 Skilled Nursing Facility
 V

PHARMACY NAME PHARMACY NUMBER

Please Print or Type

BLACK OR DARK BLUE ONLY

AMOUNT BILLED

DAY FILLED	MEDICAID ID NUMBER	DRUG NAME	STRENGTH	DOSAGE	MFG.	LOC	SEX	RX NUMBER	D/R	PRESCRIBER NAME OR DEA NUMBER	OTHER COV.
01	1234 56789 A	Vancomycin			Abbott	0	M	1234	1	AA1234567	37 87
01	1234 56789 A	Dextrose 5% water		IV soln.	Abbott	0	M	1234	1	AA1234567	7 04
01	1234 56789 A	Gamimune	10%	vial	Bayer	0	M	1235	1	AA1234567	461 23
01	1234 56789 A	Gamimune	10%		Bayer	0	M	1235	1	AA1234567	825 73
01	1234 56789 A	Compound				0	M	1236	1	AA1234567	13 46
01											
01											
01											
01											
01											
01											
01											

(FOR EACH COMPOUNDED LIST NAME, STRENGTH, QUANTITY, MFG. AND COST OF EACH INGREDIENT BELOW)

4) Triamcilone 1% 00472-0301-16 120 gm Alpharma	5.62
Eucerin cream 10356-6009-01 120 gm Beiersdorf	2.24
	5.60 disp. fee
	13.46

CLAIM TOTAL 1345 | 33

THIS IS TO CERTIFY THAT THE FOREGOING INFORMATION IS TRUE, ACCURATE, AND COMPLETE. I UNDERSTAND THAT PAYMENT WILL BE FROM FEDERAL AND STATE FUNDS, AND THAT ANY FALSE CLAIMS, STATEMENTS, OR DOCUMENTS, OR CONCEALMENT OF A MATERIAL FACT, MAY BE PROSECUTED UNDER APPLICABLE FEDERAL OR STATE LAWS.

SUBMISSION DATE
MO. DAY YR.

PAGE NO.

Pam Drug
CLAIMANT SIGNATURE

Days Supply on Pharmacy Claims

Medicaid recipients are able to obtain a 90-day supply of a medication if the claim is for a generic, non-controlled, maintenance medication when they have a previous 30-day fill of the same medication on file with Medicaid. 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 co-pay will be collected and only one dispensing fee will be paid for the 90-day supply. It is acceptable for a provider to change a prescription for a month's supply to a 90-day supply if the prescription has sufficient refills and it meets the criteria for a 90-day supply.

Updated National Provider Identifier (NPI) Collection Forms

The Division of Medical Assistance (DMA) is currently collecting National Provider Identifier (NPI) numbers from Medicaid providers. Healthcare providers are required to complete one NPI collection form for each NC Medicaid provider number to ensure that North Carolina Medicaid captures the NPIs which will be used for claims processing. There are now two different collection forms on the DMA Web site: one for individual provider numbers and one for group provider numbers. Providers who have obtained an organizational or group NPI must complete an NPI collection form for the group provider number. In addition, an individual NPI collection form must be completed for each individual provider number within the group.

The required fields for completing the NPI collection form are: Medicaid Provider Number, NPI, Physical and Billing address including Zip +4 and taxonomy code(s). If more than three taxonomy codes need to be linked to one NPI number, an additional taxonomy page has been provided on the Web site. Providers can link up to 15 taxonomies to one NPI. Also, providers need to include a copy of the notification letter from the National Plan and Provider Enumeration System (NPPES). The address information provided will overlay the information currently in the system. Any other change request will require a separate change request form.

The collection forms are located on the following Web site: <http://www.dhhs.state.nc.us/dma/NPI.htm>. Forms must be typed and returned no later than March 15, 2007. The form can be returned by the mail, fax or email addresses listed on the form. Providers will receive a confirmation notice once the NPIs have been added.

“Get It! Share It! Use It! Now! Getting one is free - Not having one can be costly!”

National Provider Identifier (NPI) Seminar



National Provider Identifier (NPI) seminars are being held during the month of January 2007. Seminars are intended for providers that would like more detailed information on how NC Medicaid will be implementing NPI. Please go to <http://www.dhhs.state.nc.us/dma/NPI/NPI%20Agenda.pdf> to access the agenda to see specific topics that will be discussed.

The seminars are scheduled at the locations listed below. **Pre-registration is required.** Due to limited seating, registration is limited to two staff members per office. Unregistered providers are welcome to attend if space is available.

Providers may register for the NPI seminars by completing and submitting the registration form online at http://www.dhhs.state.nc.us/dma/semreg/seminar_npi.aspx . If you are planning on attending the Raleigh location that has two sessions, please indicate the session you plan to attend on the registration form. Morning sessions of the seminars will begin at 9:30 a.m. and end at 11:30 a.m.

Providers are encouraged to arrive by 9:15 a.m. to complete registration. Afternoon sessions will begin at 1:30 p.m. and end at 3:30 p.m. Providers are encouraged to arrive by 1:15 to complete registration.

Providers must print the PDF version of the December 2006 New Claim Form Instructions and bring it to the seminar. Providers may access the Special December 2006 Bulletin, New Claim Form Instructions using the following link:
<http://www.dhhs.state.nc.us/dma/bulletin/NewClaimFormInstructions.pdf>.

The seminar dates, registration form and directions are on the next 3 pages of the bulletin.

<p>Monday, January 8, 2006 Jane S.McKimmon Center 1101 Gorman Street Raleigh, North Carolina</p>	<p>Thursday, January 9, 2006 Coastline Convention Center 501 Nut Street Wilmington, North Carolina</p>
<p>Tuesday, January 16, 2007 Matthews Community Center 100 McDowell Street East Matthews, North Carolina</p>	<p>Wednesday, January 24, 2007 Crown Plaza Hotel and Resort One Holiday Inn Drive Asheville, North Carolina</p>

Directions to the NPI Seminars

Jane S. McKimmon Center –

Traveling East on I-40: Take Exit 295 and turn left onto Gorman Street. Travel approximately 2.5 miles. The McKimmon Center is located on the right at the corner of Gorman Street and Western Boulevard.

Traveling West on I-40: Take Exit 295 and turn right onto Gorman Street. Travel approximately 2.5 miles. The McKimmon Center is located on the right at the corner of Gorman Street and Western Boulevard.

Coastline Convention Center – Wilmington

From I-40 East / Raleigh Durham Area: Follow Interstate 40 East to Wilmington. As you approach Wilmington, turn right onto MLK Parkway/74 West/Downtown. Continue on route to downtown and it will become 3rd Street. Follow 3rd Street for five blocks until you reach Red Cross Street. Turn right onto Red Cross Street and follow for two blocks. Turn right onto Nutt Street. Second driveway on left is the entrance to the convention center.

From Hwy 17 S. (Jacksonville Area): Stay on Hwy 17 S. as it turns into Market Street. Follow Market Street until you see the sign for 74 West / Downtown (MLK Parkway). Take 74 West (MLK Parkway) to downtown (approximately 4 miles), turn right on Red Cross Street, go two blocks, turn right onto Nutt Street. Second driveway on left is the entrance to the convention center.

From Hwy 17 N. or Hwy 74-76 (Myrtle Beach or Fayetteville area): Come across the Cape Fear Memorial Bridge into Wilmington. Take a left at the first stoplight onto 3rd Street and come downtown. Follow 3rd Street to Red Cross Street and turn left at the stoplight. Go to the bottom of the hill (approximately 3 blocks). Take a right onto Nutt Street, turn left into the main parking lot of the Coastline Convention Center.

Matthews Community Center – Matthews

From the North from I-77: From I-77 South, take the I-277/BROOKSHIRE FRWY/NC-16 exit-exit number 11. Merge onto I-277 S/W BROOKSHIRE FRWY/NC-16 S via exit number 11A- on the left. Merge onto US-74 E via exit number 2B- on the left- toward NC-27 E/INDEPENDENCE BLVD. Go about 9.3 miles on E. Independence Boulevard/74-East. At the light, turn RIGHT onto SAM NEWELL RD (NTB and Boston Market are on the right at the corner). Go through the light at Sam Newell and 51/Matthews Township Parkway. SAM NEWELL RD becomes N TRADE ST. Go through the light, over the train tracks, then through another light at John Street. Go about two blocks and turn LEFT onto MCDOWELL ST. The Matthews Community Center is between the Matthews Elementary School and the First Baptist Church. It is a brick building with white pillars that says "Community Center" on the front. The main entrance is on the left side with the parking lot.

From the North from I-85: From I-85 South, take the I-485 exit (it is a brand new exit so not sure of the exact exit # and it only goes one way and that is east). Take EXIT 52 for MATTHEWS and make a RIGHT at the light at the bottom of the ramp onto West John Street. Go about two miles to the stoplight at JOHN AND TRADE STREETS. Make a LEFT onto SOUTH TRADE STREET. Go about two blocks and turn left onto MCDOWELL STREET. The Matthews Community Center is between the Matthews Elementary School and the First Baptist Church. Arrive at 100 Mc Dowell street. It is a brick building with white pillars that says "Community Center" on the front. The main entrance is on the left side with the parking lot.

From the West: From Billy Graham Parkway, go South to I-77 junction. Take I-77 South to I-485 East EXIT 2 toward PINEVILLE. Take EXIT 52 for MATTHEWS and make a LEFT at the light at the bottom of the ramp onto WEST JOHN STREET. Go about two miles to the stoplight at JOHN AND TRADE STREETS. Make a LEFT onto SOUTH TRADE STREET. Go about two blocks and turn LEFT onto MCDOWELL ST. The Matthews Community Center is between the Matthews Elementary School and the First Baptist Church. It is a brick building with white pillars that says "Community Center" on the front. The main entrance is on the left side with the parking lot.

If you are coming from the South: Take I-77 North to I-485 East EXIT 2 toward PINEVILLE. Take EXIT 52 for MATTHEWS and make a LEFT at the light at the bottom of the ramp onto WEST JOHN STREET. Go about two miles to the stoplight at JOHN AND TRADE STREETS. Make a LEFT onto SOUTH TRADE STREET. Go about two blocks and turn LEFT onto MCDOWELL ST. The Matthews Community Center is between the Matthews Elementary School and the First Baptist Church. Arrive at 100 MCDOWELL STREET. It is a brick building with white pillars that says "Community Center" on the front. The main entrance is on the left side with the parking lot.

From the East: From 74-WEST merge onto HIGHWAY 51 via the ramp on the RIGHT. At the end of the ramp, make a LEFT onto HIGHWAY 51 towards Matthews. At the next light, make a LEFT onto SAM NEWELL ROAD. SAM NEWELL ROAD turns into TRADE STREET. Go through the light, over the train tracks, then through another light at JOHN STREET. Go about two blocks and turn LEFT onto MCDOWELL ST. The Matthews Community Center is between the Matthews Elementary School and the First Baptist Church. Arrive at 100 MCDOWELL STREET. It is a brick building with white pillars that says "Community Center" on the front. The main entrance is on the left side with the parking lot.

Crown Plaza and Resort – Asheville

Traveling from South or West: Travel west on I-26. Follow signs for I-240 to Asheville. Stay in the left lane and take Exit 3A. Circle around right and exit onto Patton Avenue. Turn right at the second light into Regents Business Park (between Denny's and Pizza Hut). It will turn to the right; the entrance sign is on the immediate left. Follow the road (Holiday Inn Drive) past the golf course to the main entrance.

Traveling from North or East: Travel west on I-40. Take Exit 53 to I-240 West. Pass downtown Asheville. As you cross the French Broad River Bridge, stay in the right lane and take Exit 3B (Westgate and Holiday Inn Drive). Pass the Westgate Shopping Center on your right. After passing Mr. Transmission, you will see the entrance sign. Turn right onto Holiday Inn Drive and proceed to the main entrance.

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**National Provider Identifier (NPI)
Seminar Registration
(No Fee)**

Provider Name _____

NC Medicaid Provider Number _____ NPI Number _____

Mailing Address _____

City, Zip Code _____ County _____

Contact Person _____ E-mail _____

Telephone Number (____) _____ Fax Number (____) _____

1 or **2** person(s) will attend the seminar at _____ on _____
(circle one) (location) (date)

For Raleigh location ONLY: 9:30-11:30 _____ 1:30-3:30 _____

Please fax completed form to: 919-851-4014

**Please mail completed form to:
EDS Provider Services
P.O. Box 300009
Raleigh, NC 27622**

Changes in Drug Rebate Manufacturers

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

Additions

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

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
10702	KVK-Tech, Inc.,	10/10/2006
18860	Azur Pharma, Inc.,	10/10/2006

Terminated Labelers

The following labelers codes will be terminated effective 04/01/2007:

<i>Code</i>	<i>Manufacturer</i>
00044	Knoll Pharmaceutical Company
00214	GlaxoSmithKline
00905	Pfizer, Inc
58437	GlaxoSmithKline
74684	GlaxoSmithKline

HAPPY HOLIDAYS!

Checkwrite Schedule

December 05, 2006	January 09, 2007	February 06, 2007
December 12, 2006	January 17, 2007	February 13, 2007
December 21, 2006	January 25, 2007	February 20, 2007
		February 28, 2007

Electronic Cut-Off Schedule

December 01, 2006	January 05, 2007	February 02, 2007
December 08, 2006	January 12, 2007	February 08, 2007
December 15, 2006	January 19, 2007	February 15, 2007
		February 22, 2007

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 prior to the electronic cut-off date to be included in the next checkwrite.



Mark T. Benton, Sr
Senior Deputy Director and Chief Operating Officer
Division of Medical Assistance
Department of Health and Human Services



Cheryll Collier
Executive Director
EDS