



An Information Service of the Division of Medical Assistance

**North Carolina
Medicaid Pharmacy
Newsletter**

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1-800-688-6696 or 919-851-8888

Deleted NDCs from CMS

The following products have been deleted from the CMS Master Drug Rebate (MDR) file of covered outpatient drugs effective as of **May 6, 2008**. The products were marketed without the appropriate FDA approval; therefore, no longer eligible for inclusion in the rebate program.

NDC	DRUG DESCRIPTION
58177021304	Guaifenex DM
58177041304	Guaifenex PSE-80 Tablets
58177047804	Guaifenex PSE 85 Tabs 100's
63717070316	TRIAN T HC
68453064510	Duratuss GP Tabs
68453075010	Duratuss A Tabs
68453077010	Duratuss PE Tablets
68453079510	Duratuss DA Capsules

Also, the following products do not meet the definition of a covered outpatient drug and are not rebate-eligible. Therefore, they are being deleted from the CMS Master Drug Rebate (MDR) file of covered outpatient drugs effective as of **May 6, 2008**.

NDC	DRUG DESCRIPTION
58914001006	Adeks Tab
58914001106	AquaDEKS
58914021260	Adek Pediatric Drops
58914021460	AquaDEKS

Maintaining Hard Copy Prescriptions

Many pharmacies are moving toward the use of systems that allow prescriptions to be scanned into the computer. NC Medicaid maintains its position that hard copy prescriptions must be retained as required by the North Carolina Division of Medical Assistance Medicaid Participation Agreement. From Section A.5, "The aforementioned provider agrees to participate in the North Carolina Medicaid Program and agrees to abide by the following terms and conditions: ... Maintain for a period of five (5) years from the date of service: (a) accounting records in accordance with generally accepted accounting principles and Medicaid recordkeeping requirements; and (b) other records as necessary to disclose and document fully the nature and extent of services provided and billed to the Medicaid Program. For providers who are required to submit annual cost reports, "records" include, but are not limited to, invoices, checks, ledgers, contracts, personnel records, worksheets, schedules, etc. Such records are subject to audit and review by Federal and State representatives." Additionally, Section C of the Provider Enrollment

Agreement states that all pharmacy providers are required to “file prescriptions numerically and in chronological order, either in normally occurring order with other prescriptions filled by the provider or in a separate file.”

Furthermore, important legislation was passed by Congress in May 2007 requiring prescriptions for all Medicaid outpatient drugs to be written on tamper-resistant prescription pads. This requirement was included in a provision in Section 7002(b) of the US Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007. States have been charged with implementation and monitoring of this federal requisite in order to be eligible for federal reimbursement. In order to fully assess providers’ compliance with this federal mandate, it is reasonable to conclude that there are instances in which auditors, investigators or entities working on behalf of DMA would need access to the original hard copy prescriptions. It is the position of DMA that all hard copy prescriptions should be maintained on-site and readily retrievable for a period of not less than 5 years from the date of service.

Pharmacy Audits

Pursuant to federal regulations regarding utilization of Medicaid services, the Division of Medical Assistance is authorized by Section 1902 (a)(27) of the Social Security Act and Federal Regulation 42 CFR 431.107 to access patient prescriptions for purposes directly related to the administration of the Medicaid program. Therefore, no special recipient permission is necessary for releasing this information. In addition, when applying for Medicaid benefits, each recipient signs a release, which authorizes access to his/her Medicaid records by the appropriate authorities.

North Carolina Medicaid is not required to give advanced notice of intent to audit.

Article 5 under Part B of the Medicaid provider agreement states: “That Federal and/or State officials and their contractual agents may make certification and compliance surveys, inspections, medical and professional reviews, and audit of costs and data relating to service to Medicaid patients as may be necessary under Federal and State statutes, rules and regulations. Such visits must be allowed at any time during hours of operation, including unannounced visits. All such surveys, inspections, reviews and audits will be in keeping with both legal and ethical practice governing patient confidentiality.”

Article 10 under Part B further states that, “DMA may terminate this agreement upon giving written notice or refuse to enter into an agreement when: (a) The provider fails to meet conditions for participation, including licensure, certification or other terms and conditions stated in the provider agreement.”

Article 5 under Part A states that the Provider must maintain for a period of five (5) years from the date of service (a) accounting records in accordance with generally accepted accounting principles and Medicaid recordkeeping requirements; and (b) other records as necessary to disclose and document fully the nature and extent of services provided and billed to the Medicaid Program. Such records are subject to audit and review by Federal and State representatives.

Our audits, investigations and inspections are health oversight activities and are subject to the oversight Fraud and Abuse exemption of HIPAA. These disclosures are required by law, and are not subject to minimum necessary 45 CFR 164.502(b) (2) (v). Any disclosures beyond that clearly allowed are considered incidental exposures and are permitted under 45 CFR 164.502(a)

(1) (iii). Additionally, 45 CFR 164.506(a) and 45 CFR 164.512 (k) supports our request for private health information.

Impeding or refusing a NC Medicaid audit may result in DMA implementing sanctions, including but not limited to, permanent or temporary termination of the contract and/or recoupments.

Updated Pharmacy Claim Form

The new pharmacy claim form referencing the NPI requirement instead of the Medicaid Provider Number is now available. There is an optional field for Medicaid Provider Number in the upper left hand side of the form, but this is not a required field. The form is located on DMA's website at <http://www.ncdhhs.gov/dma/Forms/pharmclaim.pdf>.

National Provider Identifier Update for Pharmacy Providers

Effective May 23, 2008, the National Provider Identifier (NPI) number will be required on pharmacy claims for the billing provider. Pharmacy providers are encouraged to submit the NPI number as the prescriber ID on pharmacy claims but may continue to submit the NPI number or the DEA number as the prescriber ID until further notice.

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 have joined the rebate program effective on the dates indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
25208	Medicure Pharma, Inc.	05/15/2008
33753	Stesso Pharmaceuticals	04/01/2008
42115	Cardinal Health Singapore 225 PTE LTD	04/23/2008
61442	Carlsbad Technology, Inc.	04/30/2008
64370	Pierre Fabre Medicament	05/14/2008

Reinstated Labeler

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
65293	The Medicines Company	04/29/2008

Voluntarily Terminated Labeler

The following labelers requested voluntary termination, which was effective April 1, 2008:

The Reese Chemical Company	(Labeler 10956)
Omnii Products	(Labeler 48878)
Johnson & Johnson Health Care	(Labeler 56091)

Checkwrite Schedule

May 06, 2008	June 10, 2008	July 10, 2008
May 13, 2008	June 17, 2008	July 17, 2008
May 20, 2008	June 26, 2008	July 26, 2008
	June 10, 2008	

Electronic Cut-Off Schedule

May 01, 2008	June 05, 2008	July 05, 2008
May 08, 2008	June 12, 2008	July 12, 2008
May 15, 2008	June 15, 2008	July 15, 2008
May 22, 2008	June 19, 2008	July 19, 2008

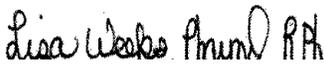
Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date. POS claims must be transmitted and completed by 12:00 midnight on the day of the electronic cut-off date to be included in the next checkwrite.



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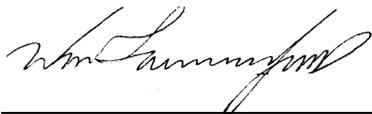
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