



An Information Service of the Division of Medical Assistance

**North Carolina
Medicaid Pharmacy
Newsletter**

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Checkwrite Schedule Change

The June 24, 2004 checkwrite date has changed to June 22, 2004. The electronic cut-off date for this checkwrite will remain June 18, 2004. A copy of the revised 2004 Checkwrite Schedule is available on the Division of Medical Assistance's website at <http://www.dhhs.state.nc.us/dma/2003check.htm>.

Electronic Funds Transfer Form – Fax Number Change for Submittals

The new fax number for submitting the Electronic Funds Transfer (EFT) Authorization Agreement for Automatic Deposits form to the EDS Financial Unit that was published in the April 2004 general Medicaid bulletin has now been changed to **919-816-3186**.

EDS offers EFT as an alternative to paper checks. This service enables Medicaid payments to be automatically deposited in the provider's bank account. EFT guarantees payment in a timely manner and prevents checks from being lost or stolen.

To initiate the automatic deposit process, providers are required to complete and return an EFT form. To confirm the provider's account number and bank transit number, a voided check must be attached to the form. A separate EFT form and voided check must be submitted for each provider number. Providers must also submit a new EFT form and voided check if they change banks or bank accounts. A copy of the form is on page 3 or can be obtained from DMA's website at <http://www.dhhs.state.nc.us/dma/forms.html>.

Completed forms may be faxed to the number listed above or mailed to the address listed on the form.

Note: Providers will continue to receive paper checks for two checkwrite periods before automatic deposit begins or resumes to a new bank account. Providers may verify that the EFT process for automatic deposit has been completed by checking the top left corner of the last page of their Remittance and Status Report, which will indicate **EFT number** rather than **check number**.

Electronic Funds Transfer (EFT) Authorization Agreement for Automatic Deposits

Electronic Data Systems offers Electronic Funds Transfer (EFT) as an alternative to paper check issuance. This service will enable you to receive your Medicaid payments through automatic deposit at your bank while you continue to receive your Remittance and Status Report (RA) at your current mailing address. This process will guarantee payment in a timely manner and prevent your check from being lost through the mail.

To ensure timely and accurate enrollment in the EFT program, please fill out the form on this page, attach a voided check, and return it by mail or fax to:

EDS, 4905 Waters Edge, Raleigh, NC, 27606
Or
Fax: 919-816-3186, Attention: Finance-EFT

EDS will run a trial test between our bank and yours. This test will be done on the first checkwrite you are paid after we receive this form. After that, your payments will go directly to your bank account. Your RA will continue to come through the mail. On the last page of your RA, in the top left corner, it will state "EFT number", rather than "Check number", when the process has begun. Contact EDS Provider Services at 1-800-688-6696 with any questions regarding EFT.

Thank you for your cooperation in making this a smooth transition to EFT, and for helping us to make the Medicaid payment process more efficient for the Medicaid provider community.

We hereby certify this checking or savings account is under our direct control and access; therefore, we authorize Electronic Data Systems to initiate credit entries to our checking or savings account indicated below and the bank name below, hereafter called BANK NAME, to credit the same account number.

BANK NAME _____
BRANCH ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____
BANK TRANSIT/ABA NO. _____
ACCOUNT NO. _____
CHECKING OR SAVINGS _____

This authority is to remain in full force and effect until EDS has received written notification from us of its termination in such time and in such a manner as to afford EDS a reasonable opportunity to act on it.

PROVIDER NAME _____
BILLING PROVIDER NUMBER _____
DATE _____ SIGNED _____
Please list a name and telephone number of someone to contact with questions EDS may have on initiating this automatic deposit.
CONTACT _____ TELEPHONE NUMBER _____

⚡ A VOIDED CHECK MUST BE ATTACHED FOR EACH BANK ACCOUNT IN ORDER FOR US TO PROCESS YOUR EFT.

Your Name 123 Any Street Anytown, USA 12345	Date _____	0101
Pay to the Order of _____	\$ _____	
Bank of Anytown Anytown, USA	Dollars	
For _____	VOID SIGNATURE _____	
123456789 11111111		0101

***ONE EFT REQUEST FORM PER PROVIDER NUMBER**

Revised 04/06/2004

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:

<u>Code</u>	<u>Manufacturer</u>	<u>Date</u>
10135	Marlex Pharmaceuticals, Inc.	04/30/2004
60977	Baxter Healthcare Corporation	02/17/2004
61379	Guilford Pharmaceuticals	02/25/2004
61953	Grifols Biologicals, Inc.	03/15/2004
63672	Synthon Pharmaceuticals, Inc.	02/13/2004
66733	Imclon Systems, Inc.	01/01/2004
67618	Purdue Products, L.P.	02/27/2004
68025	Lupin Pharmaceuticals, Inc.	03/02/2004
68516	Instituto Grifols	04/30/2004
68669	Vistakon Pharmaceuticals, Inc.	04/08/2004

Terminated Labelers

The following labeler codes are being voluntarily terminated effective July 1, 2004:

Novartis Pharmaceuticals Corporation (Labeler Codes 00058, 57267 and 58887);
 Scot-tussin Pharmacal Co., Inc. (Labeler Code 00372);
 Bertek Pharmaceuticals, Inc. (Labeler Code 00514);
 RIJ Pharmaceutical Corporation (Labeler Code 53807);
 Heartland Services (Labeler Code 61392);
 Gynetics (Labeler Code 63955); and
 Women First Health Care (Labeler Code 64248).

The following labeler codes are being terminated effective July 1, 2004:

Schering Corporation (Labeler Code 00369);
 DSC Laboratories Div Dsc Products, Inc. (Labeler Code 52316);
 Natestch Pharmaceutical Company, Inc. (Labeler Code 57459);
 AstraZeneca, LP (Labeler Code 61113); and
 Reddy Pharmaceuticals (Labeler Code 67857).

Terminated Labeler-Revised Effective Date

In CMS release number 129, dated February 19, 2004, Muro Pharmaceutical, Inc. (Labeler Code 00451) was terminated effective July 1, 2004. The July 1 date was established in error. The revised effective termination date for Muro Pharmaceutical, Inc. is April 1, 2004.

Reinstated Labeler

The following Labeler Code will be reinstated in the drug rebate program effective April 1, 2004:

Delta Pharmaceuticals, Inc. (Labeler Code 53706);
Amkas Laboratories, Inc. (Labeler Code 61073); and
Nnodum Corporation (Labeler Code 63044).

The following labeler code is being reinstated effective July 1, 2004:

Neil Laboratories, Inc. (Labeler Code 60242).

Coordination of Benefits (Third Party Cost Avoidance)

Effective, June 29, 2004, the North Carolina Medicaid Program will begin cost avoiding pharmacy claims for patients who have other coverage for prescription drugs.

Point of Sale (POS)

The pharmacy will receive a denial through the POS system that the other third party should be billed as the primary payer. Medicaid can then be billed as a secondary payer. There will be "override" procedures for insurance that may have been dropped (cancelled) or is incorrect on the date of service.

The POS will check for current third party coverage on the eligibility file. A message will be sent back by the POS system telling the provider that the recipient has third party coverage for that date of service. If other coverage is indicated, the number '99' must be entered in field 338-5C. When a claim is denied for other coverage, the POS system will deny the claim and will send the third party information that is currently indicated on the eligibility file. The message will appear in the following format:

PBM or INS name/Payer phone number/BIN number/Policy #/ RX group number

(Note: Will only display information currently available on the recipient eligibility file. The BIN will be listed if it can be identified).

Paper or Batch Claims

Pharmacy claims that are submitted via batch or paper will also be subject to the coordination of benefits edit. If a paper claim is denied for third party and the patient indicates they have no other coverage, the edit can be overridden in the same manner as the Medicare cost avoidance edit (place an 'O' in the family planning field).

Coordination of Benefits (Third Party Cost Avoidance) cont.

Pregnant Woman Are Exempt

For recipients with MPW coverage (pink Medicaid identification card), the eligibility file automatically exempts the claim from the cost avoidance process.

With the Blue Medicaid Card, the Pharmacist can indicate pregnancy in one of two ways:

- (1) Indicate the diagnosis of V22.2 in the diagnosis field on the POS transaction
or
- (2) Use the 5.1 "Pregnancy Indicator" field in the Patient Segment. A value of '2' will be used to indicate this override

Override Codes for Cost Avoidance Process
Claim Segment defined as 308-C8 (Other Coverage Code)

- **Required/Optional/Not Used: Optional**
- **Field Type: N**
- **Max Length: 2**
- **North Carolina Medicaid Specifications (override codes)**

01= No Other Coverage Identified

02 = Other Coverage Exists - Payment Collected (The member has other coverage and the payer has returned a payment amount. The payment amount is submitted in field 431-DV to the secondary payer (e.g.: Medicaid).

03 = Other Coverage Exists - This Claim Not Covered (Claim not covered under primary Third Party Plan. If primary denied the claim as Refill Too Soon, the claim would be submitted to the secondary payer with the Other Coverage Code 3. In this situation, claim would more than likely be too early for Medicaid as well)

04 = Other Coverage Exists - Payment Not Collected (Used when the member has other coverage and that payer has accepted the claim, but did not return any payment. This would be an example in which the member had a deductible amount to meet under the primary payer. The member is responsible for 100% of the payment, and the payer returns 100% of the payment, and the payer returns \$0.)

07 = Other Coverage Exists- Not in Effect at Time of Service (Other coverage exists but not on date of service)

The override codes listed above will be reported back to Medicaid on a monthly basis.

Example: After Third Party insurer has paid, the claim can be billed to Medicaid with the other coverage amount indicated. For example, if a \$100.00 claim is billed to PCS and they pay \$65.00 (the patient has a \$20.00 copay), the claim is then submitted to Medicaid with \$100.00 billed amount and \$65.00 in the other coverage field (431-DV). The system will calculate the Medicaid allowable and then subtract \$65.00 from that amount. There should not be a reference to the \$20.00 copay.

Federal Mac List Changes

Effective June 27, 2004, the following changes will be made to the Medicaid Drug Federal Upper Limit List:

FUL Deletions

Generic Name

Amoxicillin

250 mg, Tablet, Chewable, Oral, 100

Erythromycin

250 mg, Capsule, Delayed Release Pellets, Oral, 100

Nifedipine

10 mg, Capsule, Oral, 100

Nystatin

100,000 Units/ml, Suspension, Oral, 60 ml

Perphenazine

4 mg, Tablet, Oral, 100

FUL Additions

Generic Name

FUL Price

Baclofen

10 mg, Tablet, Oral, 100

\$0.4492 B

20 mg, Tablet, Oral, 100

\$0.8438 B

Brompheniramine Maleate/Dextromethorphan Hydrobromide/
Pseudoephedrine Hydrochloride

2 mg/10 mg/30 mg per 5 ml, Syrup, Oral, 480 ml

\$0.0168 B

Erythromycin

2%, Gel, Topical, 30 gm

\$0.6250 B

0.5%, Ointment, Ophthalmic, 3 gm

\$0.9643 B

Hydrochlorothiazide

25 mg, Tablet, Oral, 1000

\$0.0577 R

50 mg, Tablet, Oral, 1000

\$0.1019 R

Sotalol Hydrochloride

80 mg, Tablet, Oral, 100

\$1.7850 B

120 mg, Tablet, Oral, 100

\$2.3550 B

160 mg, Tablet, Oral, 100

\$2.9250 B

240 mg, Tablet, Oral, 100

\$3.9750 B

FUL Price Decreases

Generic Name

FUL Price

Fluoxetine Hydrochloride

20 mg, Capsule, Oral, 100

\$0.2520 B

Change to Allowable Days Supply Edit

The NDC's for Prilosec OTC 14's and 28's have been added to the Medicaid drug file and the allowable days supply edit has been updated to allow the appropriate adjudication for these NDC's. Prilosec OTC 14's , when prescribed should be dispensed in 3 package increments (unopened boxes) with a 42-days supply indicated, and the 28's should be dispensed in 2 package increments (unopened boxes) with a 56-days supply (please refer to the chart below). Further changes to the days supply edit include Seasonale , which is allowed a 91 days supply; growth hormones, Lumigan and Travatan will allow up to a 90 days supply. Drugs classified as non-scheduled, maintenance drugs that are on the NC State Mac or Federal Mac lists are allowed a 90-day supply if a 30+ day supply was obtained within the previous six months; this can be a single 30+ day supply or the sum of smaller supplies over six months history. The drugs, where the allowable days supply has been increased, are indicated in the chart below:

NDC (IF Applicable)	Drug Name or Class	Up to Allowed Days Supply
37000-0455-02	Prilosec OTC 14's	42
37000-0455-03	Prilosec OTC 28's	56
	Growth Hormones	90
	Lumigan Eye Drops	90
	Travatan Eye Drops	90
	Seasonale	91

NCMMIS Update

The future NCMMIS Fiscal Agent, ACS State Healthcare, LLC (ACS) held the Executive Kickoff meeting with the State on May 11th. The first work sessions with the ACS staff were successfully completed the week of May 25th. Everything is on schedule for the new NCMMIS, called *NCLeads*, to be operational no later than June 2006.

Leading-edge Technology
Efficiency and Effectiveness
Application Knowledge
Delivery
Staffing Excellence

DHHS is committed to supplying comprehensive provider training by delivering thorough training at convenient locations. The State will work with provider representatives to ensure that training offerings that best meet providers' needs are delivered through various easily accessible mechanisms. *Watch for training details coming soon.* Statistics show that advance training lays the foundation that is necessary for effective use of system functionality. During the evaluation of the NCMMIS proposals, the Department solicited numerous references from states that had implemented systems similar to the base Medicaid systems proposed for North Carolina. Corrective actions to address lessons learned from other states were incorporated into the North Carolina request for proposal. Providers who attended training found the transition to the new system to be a more positive experience. Remember — *NCLeads* ...we know that North Carolina will *lead* other states in provider service and provider participation!

While you can continue to submit claims using any current method(s) with the new system, we hope you'll also learn about some new options to improve your business such as:

- More timely payments because you can enter and adjudicate claims online ("real time" processing instead of overnight processing);
- Web-based options to expedite the entry, adjustment and voiding of claims;
- Increased efficiencies through online prior approval requests processing; and
- Free software that allows you to enter, submit, and adjust claims electronically.

We will be soliciting your involvement during the implementation phase. If you think you may be interested in participating in the *NCLeads* implementation process, please e-mail ncmmis.provider@ncmail.net and indicate your provider type (e.g., physician, hospital, pharmacy, long-term care facility, etc.) in the Subject line. There will be more details about provider participation in the August bulletin. We look forward to working with you!

About ACS

ACS is a Fortune 500 company traded on the New York Stock Exchange (NYSE: ACS) with \$3.8 billion in annual revenue. ACS provides services that enable business and government agencies to focus on core operations, respond to rapidly changing technologies, and reduce expenses associated with business processes and information processing. ACS provides data processing and/or business process outsourcing services to 15 Blue Cross Blue Shield Plans—including BC/BS of North Carolina—and to nine of the Top 10 commercial health insurers.

ACS implemented the first federally certified Medicaid Management Information System (MMIS) in 1972 and has gone on to successfully implement MMIS in 30 states over 32 years. Over the past 8 years, ACS has implemented more new Medicaid systems than any other vendor.

Today, ACS administers Medicaid programs as the MMIS Fiscal Agent for 12 states (including Florida and Texas) and Washington, D.C., the nation's capital. ACS processes 400 million Medicaid claims worth \$50 billion in payments each year to several hundred thousand doctors, hospitals, pharmacies, nursing homes, clinics, and other healthcare providers. ACS also administers six state Child Health Insurance Programs (S-CHIP), manages pharmacy benefits for 23 state programs (Medicaid and Seniors), and operates data warehouses and decision support systems for 12 Medicaid programs (including North Carolina, Texas, and Florida).

In North Carolina, ACS employs approximately 600 people in 10 locations around the State. For the N.C. Department of Health and Human Services, ACS manages pharmacy benefit prior authorizations and provides a large data warehouse with analytical tools to support program planning and evaluation and to detect waste, fraud, and abuse.

The new MMIS system for North Carolina, called *NCLeads*, is operationally proven in four states and will be among the most technologically advanced in the nation. *NCLeads* will support 24 x 7 accessibility, with appropriate security safeguards for program participants. Providers will be able to submit claims, check on claims and eligibility status, and receive claims payment electronically anytime—day or night. Provider questions and requests for information are handled by experienced help desk operators or can be addressed electronically.

Checkwrite Schedule

June 8, 2004	July 12, 2004	August 10, 2004
June 15, 2004	July 20, 2004	August 17, 2004
June 22, 2004	July 29, 2004	August 26, 2004
June 29, 2004		

Electronic Cut-Off Schedule

June 4, 2004	July 9, 2004	August 6, 2004
June 11, 2004	July 16, 2004	August 13, 2004
June 18, 2004	July 23, 2004	August 20, 2004
June 25, 2004		

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.



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