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**North Carolina
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Newsletter**

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Deleted NDC's from CMS

The following products do not meet the definition of a covered outpatient drug and are not rebate-eligible. Therefore, these drugs will be deleted from the CMS Master Drug Rebate (MDR) file of covered drugs effective as of **June 30, 2010**.

NDC	Drug Name
00603131473	HYOSCYAMINE 0.125 MG/ML DROP
00603131558	HYOSCYAMINE 0.125 MG/ML DROP
00603514116	PHENAZOPYRIDINE 100 MG TAB
00603514121	PHENAZOPYRIDINE 100 MG TAB
00603514132	PHENAZOPYRIDINE 100 MG TAB
00603514221	PHENAZOPYRIDINE 200 MG TAB
00603514232	PHENAZOPYRIDINE 200 MG TAB

Important Safety Information on Valproate

The N.C. Medicaid Drug Utilization Review (DUR) Board has requested that the following information be shared with N.C. Medicaid providers regarding the use of the drug valproate during pregnancy.

Reviews conducted under the N.C. Medicaid DUR Program indicate that the drug valproate (divalproex sodium, valproic acid, sodium valproate) is being prescribed to N.C. Medicaid recipients who may be pregnant. A Pregnancy Category D drug indicates that there is known harm to the fetus associated with the use of a drug but the benefits may outweigh the risk for pregnant women who have a serious condition that cannot be treated effectively with a safer drug. Recent data, published by the Food and Drug Administration (FDA) in December 2009, states that the risks of major congenital malformations (MCMs) may be higher with valproate when compared to other anti-epileptic medications. Additionally, the risks of MCMs seem to be higher when the doses exceed 1,000 mg per day.

Using Medicaid data from September 2009 through January 2010, the N.C. Medicaid DUR Board identified 141 patients who had a diagnosis of pregnancy and also had a prescription for valproate or a similar derivative. Additionally, the Board identified 405 female patients of child-bearing age (13 to 50 years of age) who are currently prescribed a valproate derivative. Since approximately half of all pregnancies are not planned, it is important that prescribers perform a risk-versus-benefit analysis and discuss contraceptive options with the patient or legal guardian for women of child-bearing age for which valproate is a recommended treatment option.

More information regarding the risk of birth defects following a prenatal exposure to valproate can be found at

<http://www.fda.gov/Drugs/DrugSafety/PostmarketDrugSafetyInformationforPatientsandProviders/ucm192645.htm>.

Lost Prescriptions Limited to One Occurrence During 365-Day Time Period

Effective **August 15, 2010**, the use of the submission clarification code (04) to override a Drug Utilization Review (DUR) alert for lost prescriptions will be limited to one occurrence on the same date of service over a 365-day time period. This will apply to non-controlled medications only. The use of the submission clarification code (03) for vacation supplies will be monitored for overuse following this change. Vacation supply and lost prescriptions are not allowed for controlled substances.

Coverage of Prescription Vitamin and Mineral Products

Due to future changes to Medicaid outpatient pharmacy policy, Medicaid will no longer cover certain prescription vitamin and mineral products. Prescription prenatal vitamin and fluoride products will continue to be covered for Medicaid patients only. Medicaid will not cover any vitamin or mineral products for dually eligible recipients. Additional information on the implementation date for these changes will be provided once it becomes available.

Changes to the North Carolina Medicaid Preferred Drug List

N.C. Medicaid will implement changes to the N.C. Medicaid Preferred Drug List (PDL) beginning on **September 15, 2010**. Drugs will be indicated as “preferred” or “non-preferred” based on therapeutic effectiveness, safety, and clinical outcomes. Generally, “preferred” drugs will not require prior authorization unless there are other requirements such as step therapy or quantity limits. “Non-preferred” drugs will be available through prior authorization. The prior authorization process will be the same process as it is today. If a prescriber deems that the patient’s clinical status necessitates therapy with a “non-preferred” drug, the prescriber will be responsible for initiating a prior authorization request. For therapeutic drug classes that do not appear on the PDL, nothing has changed. Prescribers can prescribe drugs in these classes as in the past, unless existing prior authorization criteria exists.

Please refer to DMA’s Outpatient Pharmacy Program’s website for PDL updates (<http://www.ncdhhs.gov/dma/pharmacy>).

Optical Character Recognition for Paper Claims

Paper claims that meet one of the exceptions to the electronic claims submission requirement (see <http://www.ncdhhs.gov/dma/provider/ECSEExceptions.htm>) are submitted to HP Enterprise Services, N.C. Medicaid’s fiscal agent for claims processing. Paper claims are now being electronically read using Optical Character Recognition (OCR) equipment. This OCR technology requires that paper claims be submitted on standardized claim forms with the appropriate data fields completed. Examples of non-standard claim forms include forms that have been individually created and printed by a provider, fax copies, carbon copies or photocopies. Non-standard paper claims will be returned to the provider or may be denied in processing.

Implementation of a Recipient Management Lock-In Program

N.C. Medicaid will implement a recipient management lock-in program. The N.C. Administrative Code, 10A NCAC 22F.0704 and 10A NCAC 22F.0104, along with 42 CFR 431.54 and the Medicaid State Plan supports the State's development of procedures for the control of recipient overutilization of Medicaid benefits, which includes implementing a recipient management lock-in program. Recipients identified for the lock-in program will be restricted to a single prescriber and pharmacy in order to obtain opioid analgesics, benzodiazepines, and certain anxiolytics covered through the Medicaid Outpatient Pharmacy Program.

N.C. Medicaid recipients who meet one or more of the following criteria will be locked into one prescriber and one pharmacy for controlled substances categorized as opiates or benzodiazepines and certain anxiolytics for a period of one year:

1. Recipients who have at least **ONE** of the following
 - a. Benzodiazepines and certain anxiolytics: more than six claims in two consecutive months
 - b. Opiates: more than six claims in two consecutive months
2. Receiving prescriptions for opiates and/or benzodiazepines and certain anxiolytics from more than three prescribers in two consecutive months
3. Referral from a provider, DMA or CCNC.

The process of identifying recipients for the program began in July. Recipients who meet the criteria will be notified by letter and asked to choose a prescriber and a pharmacy. The recipient must obtain all prescriptions for these medications from their lock-in prescriber and lock-in pharmacy in order for the claim to pay. Additionally, the **prescriber's NPI will be required on the pharmacy claim**. Submitting the prescriber's DEA will cause the claim to be denied. Claims submitted by a prescriber or filled at a pharmacy other than the one listed on the lock-in file will be denied. The recipient may not change their lock-in prescriber or pharmacy without authorization from DMA.

Recipients who qualify for the program will be notified and locked in for one year after which time they will be removed from the program if they no longer meet the criteria. Recipients who continue to meet the criteria will be locked in for a subsequent year. Once released from the lock-in program, prescription claims will continue to be monitored. If it is determined that a recipient again meets the criteria, the recipient will be re-identified for the lock-in program.

The N.C. Medicaid Program will reimburse an enrolled Medicaid pharmacy for a four-day supply of a prescription dispensed to a recipient locked into a different pharmacy and prescriber in response to an emergent situation. The recipient will be responsible for the appropriate copayment. Only one emergency occurrence will be reimbursed per lock-in period. Records of dispensing of emergency supply medications are subject to review by Program Integrity. Paid quantities for more than a four-day supply are subject to recoupment.

Please refer to the DMA website at <http://www.ncdhhs.gov/dma/pharmacy/> for updates.

Update to the Annual Medicaid Identification Card

In September 2009, the N.C. Medicaid Program began issuing an annual Medicaid identification (MID) card to all current Medicaid recipients. Since then, annual MID cards have been issued to newly eligible Medicaid recipients as well as to those recipients who changed their Primary Care Provider (PCP), had a legal name change or requested a replacement card. Starting in September 2010, new annual MID cards sent to those individuals who remain eligible for Medicaid and have not received a card in the past 12 months will include the date of birth of the recipient. (Please note that MID cards are not issued to recipients in the MQB-B and MQB-E benefit categories.) The new cards will continue to be printed on gray paper stock.

The MID card does not serve as proof of recipient eligibility or identity. A recipient's eligibility status may change from month to month if financial and household circumstances change. For this reason, providers should verify a Medicaid recipient's eligibility each time a service is rendered. Providers may verify a recipient's eligibility in various methods including Electronic Data Interchange Recipient Eligibility Verification Tool Automated Voice Response

Refer to Appendix F in the *Basic Medicaid Billing Guide* (<http://www.ncdhhs.gov/dma/basicmed/>) for detailed information on eligibility verification.

At each visit, providers must verify the cardholder's

- identity (if an adult)
- current eligibility
- Medicaid program (benefit category)
- CCNC/CA primary care provider information
- other insurance information

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 a Drug Rebate Agreement and have joined the rebate program effective on the date indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
46122	Amerisource Bergen Drug Company	07/05/2010
51525	Wallace Pharmaceuticals	07/20/2010
52054	Amedra Pharmaceuticals, LLC	07/20/2010

Checkwrite Schedule

July 07, 2010	August 03, 2010	September 08, 2010
July 13, 2010	August 10, 2010	September 14, 2010
July 22, 2010	August 17, 2010	September 23, 2010
	August 26, 2010	

Electronic Cut-Off Schedule

July 01, 2010	July 29, 2010	September 02, 2010
July 08, 2010	August 05, 2010	September 09, 2010
July 15, 2010	August 12, 2010	September 16, 2010
	August 19, 2010	

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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