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CMS Update: Notification of Covered Drugs

CMS has determined that these NDCs do meet the definition of a covered outpatient drug. As a result, the following NDCs remain eligible for coverage under the Medicaid Drug Rebate Program.

| NDC | DRUG DESCRIPTION |
|-------------|------------------------------|
| 51991018211 | FERROCITE PLUS TABLET |
| 51991019811 | FERREX 150 FORTE CAPSULE |
| 51991068201 | FERROCITE PLUS CAPSULE |
| 51991068233 | FERROCITE PLUS CAPSULE |
| 51991079890 | FERREX 150 FORTE PLUS CAPSUL |

New Prior Authorization Requirements for Leukotriene Modifiers

Effective with dates of service of October 28, 2009, the N.C. Medicaid Outpatient Pharmacy Program began requiring prior authorization for Leukotriene Modifiers. Prescribers can request prior authorization by contacting ACS at 866-246-8505 (telephone) or 866-246-8507 (fax). The criteria and PA request form for these medications are available on the N.C. Medicaid Enhanced Pharmacy Program website at <http://www.ncmedicaidpbm.com>. Medications that now require prior authorization include Accolate, Singulair, Zylflo and Zylflo CR.

Prodigy Diabetic Supplies Under the Durable Medical Equipment and Pharmacy Programs

Effective November 15, 2009, Prodigy Diabetes Care, LLC, will be N.C. Medicaid's designated preferred manufacturer for glucose meters, diabetic test strips, control solutions, lancets, lancing devices, and syringes. Beginning on this date of service, only Prodigy test strips, control solutions, lancets, lancing devices, and syringes will be covered by N.C. Medicaid. This change will apply only to Medicaid-primary recipients (dually eligible and third-party recipients are not affected).

Note: These requirements will not apply to private duty nursing and home health providers until February 1, 2010.

The following table lists the National Drug Codes (NDCs) that are included under this program; for meters, please call your wholesaler or Prodigy Diabetes Care, LLC.

| Covered Product | Package Size | Unit Type | NDC-11 |
|-----------------------------------|--------------|-----------|---------------|
| Prodigy Pocket™ Meter Kit - Black | 1 Meter Kit | 1 Meter | 08484-0708-00 |
| Prodigy Pocket™ Meter Kit - Pink | 1 Meter Kit | 1 Meter | 08484-0708-01 |
| Prodigy Pocket™ Meter Kit - Blue | 1 Meter Kit | 1 Meter | 08484-0708-02 |
| Prodigy Pocket™ Meter Kit -Green | 1 Meter Kit | 1 Meter | 08484-0708-03 |

| Covered Product | Package Size | Unit Type | NDC-11 |
|---|--------------|-----------|---------------|
| Prodigy Pocket™ Meter Kit -Camouflage | 1 Meter Kit | 1 Meter | 08484-0708-04 |
| Prodigy Pocket™ Meter Kit –Pink Camouflage | 1 Meter Kit | 1 Meter | 08484-0708-05 |
| Prodigy AutoCode® Talking Meter Kit | 1 Meter Kit | 1 Meter | 08484-0701-20 |
| Prodigy Voice™ Meter Kit | 1 Meter Kit | 1 Meter | 08484-0719-50 |
| Prodigy™ No Coding Test Strips | 50 ct Bottle | 1 Bottle | 08484-9902-50 |
| Prodigy Control Solution (Low) | 1 Bottle | 1 Bottle | 08484-9903-10 |
| Prodigy Twist Top Lancets 28G | 100 ct Box | 1 Box | 08484-9903-28 |
| Prodigy Lancing Device, Adj. Depth w/ Clear Cap | 100 ct Box | 1 Box | 08484-9903-55 |
| Prodigy Syringe 28G 12.7mm – 1 cc (100 ct) | 100 ct Box | 1 Box | 08484-9904-30 |
| Prodigy Syringe 31G 8mm – ½ cc (100 ct) | 100 ct Box | 1 Box | 08484-9904-35 |

In addition, effective November 15, 2009, diabetic test strips, control solutions, lancets, and lancing devices will be added to the list of over-the-counter products covered under the Outpatient Pharmacy Program. These products will be covered under the pharmacy point-of-sale system with a prescription.

Billing Instructions for Submitting Claims for Diabetic Supplies under Durable Medical Equipment

Claims for diabetic test strips, control solutions, lancets, lancing devices, and syringes submitted under the Durable Medical Equipment (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. (For information on how to bill with NDCs, please refer to the March 2009 Special Bulletin, *National Drug Code Implementation, Phase III*, on DMA's website (<http://www.ncdhhs.gov/dma/bulletin/>).

Test strips must be billed in units (1 unit = 50 strips) and syringes and lancets must also be billed in units (1 unit = 100 syringes or lancets).

A transition period will be in place from November 15, 2009, through February 15, 2010 (this transition period is not a postponement), in which a one-time, per-recipient, per-product override will be allowed. In addition to modifier NU, 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 Prodigy NDCs (as listed in the chart above). Following February 15, 2010, this modifier will no longer be acceptable for use with diabetic supplies for DME and only the Prodigy NDCs referenced above will be covered.

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

| HCPCS Code | Product Description |
|------------|---|
| S8490 | Insulin syringes (1 unit = 100 syringes) |
| A4253 | Blood glucose test or reagent strips (1 unit = 50 strips) |
| A4259 | Lancets (1 unit = 100 lancets) |

| HCPCS Code | Product Description |
|------------|--|
| A4258 | Lancing Device |
| A4256 | Normal, high, low calibrator solution |
| E0607 | Home blood glucose monitor |
| E2100 | Blood glucose monitor with voice synthesizer |

Effective November 15, 2009, HCPCS codes E0607 and E2100 will be end-dated.

Note: These requirements will not apply to private duty nursing and home health providers until February 1, 2010.

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

Claims for diabetic test strips, control solutions, lancets, lancing devices, and syringes submitted at point-of-sale must be billed using the NDC. Test strips must be billed in multiples of 50 and syringes and lancets must be billed in multiples of 100. For Medicaid billing, 1 lancing device = 1 unit. Rates apply to these diabetic supplies; therefore, no copayments and no dispensing fees apply.

A transition period will be in place from November 15, 2009, through February 15, 2010 (this transition period is not a postponement), in which a one-time, per-recipient, per-product override will be allowed under the pharmacy point-of-sale system for covered diabetic supplies that are not the Prodigy brand. Pharmacy providers can place a "1" in the prior authorization type code field (461-EU) or a "2" in the submission clarification code field (420-DK) to override the requirement to bill for Prodigy NDCs. Following February 15, 2010, this override will no longer be available and only the Prodigy NDCs referenced above will be covered. Diabetic supply limits will be the same as under the DME Program. Monitors (meters) cannot be billed under point-of-sale. Prior authorization requests for additional quantities or for non-Prodigy diabetic supplies must go through the DME Program.

Diabetic supplies do not have to be purchased at the same pharmacy unless the recipient is locked into a pharmacy. Recipients identified for the Focused Risk Management (FORM) Program who require more than 11 unduplicated prescriptions each month are restricted to a single pharmacy. In these cases, the diabetic supplies must be purchased at the same pharmacy.

For additional information, providers may call Prodigy Diabetic Care, LLC at 1-866-540-4816, DMA Clinical Policies and Programs at 919-855-4310 (DME) or 919-855-4300 (Pharmacy).

Billing for Focus Risk Management (FORM) Reviews

This is a reminder for all providers who are billing the Focus Risk Management (FORM) reviews. The reviews can be billed up to a year from the date of service and the provider billing the review must be the provider on record at the end of the month for which you are billing. Complete details on this program are listed in the July 2007 Special Bulletin, *Focused Risk Management*, which is posted on DMA's website at <http://www.ncdhhs.gov/dma/bulletin/>.

The followings fields are required for the building of the management fee:

| Field # | Field Name | Required/Optional/Not Used | Field Type | Max Length | North Carolina Medicaid Specifications |
|---------|---|----------------------------|------------|------------|--|
| 455-EM | Prescription/Service Reference Number Qualifier | Required | A/N | 1 | 1 = Prescription (Rx) Billing 2 = Service Billing (e.g., Pharmacy management fee claims) |
| 477-BE | Professional Service Fee Submitted | Optional* | N | 8 | Follow rules of the Implementation Guide *Note this field is required for Pharmacy Management Fee claims |
| 426-DQ | Usual and Customary Charge | Required | N | 8 | Follow rules of the Implementation Guide |
| 430-DU | Gross Amount Due | Required | N | 8 | Follow rules of the Implementation Guide |

For management fee claims, the Professional Service Fee Submitted, Usual and Customary Charge and Gross Amount Due must all be the same, and cannot be more than the allowed quarterly management fee of \$30.00. If the claim is submitted with a value of less than \$30.00, the claim will be accepted. If you wish to correct a previously submitted claim, the previous claim must be reversed prior to submitting the new claim.

Emergency Supplies for Recipient Opt-In Program

Emergency fills are allowed for recipients who opt-in to a pharmacy for situations in which the recipient may not be able to get to their regular pharmacy. The emergency supply is limited to a 4-day supply. The provider will be paid for the drug cost only and the recipient will be responsible for the appropriate co-payment. The emergency fill is indicated by using a '03' in the Level of Service field. Records of dispensing of emergency supply medications are subject to review by Program Integrity. Paid quantities for greater than a 4-day supply are subject to recoupment.

Federal MAC List Changes

Effective October 26, 2009, the following changes will be made to the Medicaid Drug Federal Upper Limit list:

FUL Decreases

| <u>Generic Name</u> | <u>FUL Price</u> |
|------------------------------------|------------------|
| Benzotropine Mesylate | |
| 0.5 mg, Tablet, Oral, 100 | \$0.0747 B |
| 1 mg, Tablet, Oral, 100 | \$0.0848 B |
| 2 mg, Tablet, Oral, 100 | \$0.1208 B |
| Carbamazepine | |
| 200 mg, Tablet, Oral, 100 | \$0.0849 B |
| Cephalexin | |
| EQ 250 mg, Capsule, Oral, 100 | \$0.1650 B |
| EQ 500 mg, Capsule, Oral, 100 | \$0.2730 B |
| Cyclobenzaprine Hydrochloride | |
| 5 mg, Tablet, Oral, 100 | \$0.1586 R |
| 10 mg, Tablet, Oral, 100 | \$0.1035 R |
| Diclofenac Potassium | |
| 50 mg, Tablet, Oral, 100 | \$0.4748 R |
| Hydrochlorothiazide | |
| 25 mg, Tablet, Oral, 1000 | \$0.0180 B |
| 50 mg, Tablet, Oral, 1000 | \$0.0499 R |
| Ranitidine Hydrochloride | |
| EQ 15 mg Base/ml, Syrup, Oral, 473 | \$0.2378 R |
| EQ 150 mg Base, Tablet, Oral, 100 | \$0.0600 B |
| EQ 300 mg Base, Tablet, Oral, 30 | \$0.1250 B |

FUL Additions

| <u>Generic Name</u> | <u>FUL Price</u> |
|---------------------------------------|------------------|
| Bicalutamide | |
| 50 mg, Tablet, Oral, 100 | \$3.4802 R |
| Cephalexin | |
| EQ 250 mg/5 ml, Suspension, Oral, 100 | \$0.1818 R |

2010 Checkwrite Schedule

Please refer to the following table for the 2010 Checkwrite Schedule.

| Month | Electronic Cut-off Date | Checkwrite Date |
|-----------|-------------------------|-----------------|
| January | 1/7/10 | 1/12/10 |
| | 1/14/10 | 1/20/10 |
| | 1/21/10 | 1/28/10 |
| February | 1/28/10 | 2/2/10 |
| | 2/4/10 | 2/9/10 |
| | 2/11/10 | 2/17/10 |
| | 2/18/10 | 2/25/10 |
| March | 2/25/10 | 3/2/10 |
| | 3/4/10 | 3/9/10 |
| | 3/11/10 | 3/16/10 |
| | 3/18/10 | 3/25/10 |
| April | 4/1/10 | 4/6/10 |
| | 4/8/10 | 4/13/10 |
| | 4/15/10 | 4/22/10 |
| May | 4/29/10 | 5/4/10 |
| | 5/6/10 | 5/11/10 |
| | 5/13/10 | 5/18/10 |
| | 5/20/10 | 5/27/10 |
| June | 6/3/10 | 6/8/10 |
| | 6/10/10 | 6/15/10 |
| | 6/17/10 | 6/24/10 |
| July | 7/1/10 | 7/7/10 |
| | 7/8/10 | 7/13/10 |
| | 7/15/10 | 7/22/10 |
| August | 7/29/10 | 8/3/10 |
| | 8/5/10 | 8/10/10 |
| | 8/12/10 | 8/17/10 |
| | 8/19/10 | 8/26/10 |
| September | 9/2/10 | 9/8/10 |
| | 9/9/10 | 9/14/10 |
| | 9/16/10 | 9/23/10 |
| October | 9/30/10 | 10/5/10 |
| | 10/7/10 | 10/13/10 |
| | 10/14/10 | 10/19/10 |
| | 10/21/10 | 10/28/10 |
| November | 10/28/10 | 11/2/10 |
| | 11/4/10 | 11/9/10 |
| | 11/10/10 | 11/18/10 |
| December | 11/24/10 | 12/1/10 |
| | 12/2/10 | 12/7/10 |
| | 12/9/10 | 12/14/10 |
| | 12/16/10 | 12/22/10 |

Note: There are 42 scheduled checkwrite cycles; 21 in the first six months and 21 in the second six months of the year.

EDS Announces New Name

In August 2008, Hewlett-Packard (HP) acquired EDS, fiscal agent for the N.C. Medicaid Program. As a result of this acquisition, EDS is changing its name to HP Enterprise Services.

North Carolina Medicaid providers will not be affected by this change and will probably notice very few changes. Providers will begin to see the HP logo or the HP Enterprise Services name on correspondence and forms. The mailing address is not changing but providers should address the mail to HP Enterprise Services. E-mail correspondence will come from an “@hp.com” e-mail address rather than an “@eds.com” e-mail address. And, providers will hear the HP name when contacting the Raleigh call center. Think of it as a sports team changing jerseys. The same players are on the field working hard to deliver the outstanding Medicaid services you’ve come to expect from a trusted business ally.

The new name reflects HP’s commitment to the longtime success of its clients. It also reminds our clients of the enhanced value they now get from the combination of EDS’ proven operational excellence PLUS the best-in-class technology of HP.

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

| <i>Code</i> | <i>Manufacturer</i> | <i>Date</i> |
|-------------|-----------------------------|-------------|
| 42865 | Eurand Pharmaceuticals, Inc | 10/19/2009 |
| 45963 | Actavis, Inc | 10/15/2009 |
| 46987 | Actavis Kadian, LLC | 09/30/2009 |

Checkwrite Schedule

| | | |
|-------------------|-------------------|-------------------|
| October 06, 2009 | November 10, 2009 | December 08, 2009 |
| October 14, 2009 | November 19, 2009 | December 15, 2009 |
| October 20, 2009 | December 01, 2009 | December 23, 2009 |
| October 29, 2009 | | |
| November 03, 2009 | | |

Electronic Cut-Off Schedule

| | | |
|------------------|-------------------|-------------------|
| October 01, 2009 | November 05, 2009 | December 03, 2009 |
| October 08, 2009 | November 12, 2009 | December 10, 2009 |
| October 15, 2009 | November 25, 2009 | December 17, 2009 |
| October 22, 2009 | | |
| October 29, 2009 | | |

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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