



*Medical Assistance*  
HEALTH AND HUMAN SERVICES

**An Information Service of the Division of Medical Assistance**

**North Carolina  
Medicaid Pharmacy  
Newsletter**

*Number 250*

*January 2016*

**In This Issue...**

**Preferred Drug List (PDL) Update**

**Guidance regarding Diovan HCT**

**Buprenorphine and Buprenorphine/Naloxone Treatment Plans - PA Criteria**

**Pharmacy Reimbursement Methodology Changes**

**CMS Issues Final Outpatient Pharmacy Drugs Policy**

**N.C. Medicaid Provider Enrollment Requirement**

**72-hour Emergency Supply Available for Pharmacy Prior Authorization Drugs**

**Updated Federal Upper Limit Reimbursement List**

**Checkwrite Schedule for February 2016**

Published by CSRA, fiscal agent for the North Carolina Medicaid Program

866-246-8505

## Preferred Drug List (PDL) Update

Effective Feb. 1, 2016, Ofloxacin Otic Drops (generic for Floxin®) will move to non-preferred status on the [NC Medicaid Preferred Drug List \(PDL\)](#).

OTIC	
ANTIBIOTICS	
Preferred	Non-Preferred
Ciprodex® Suspension neomycin-polymyxin-hydrocortisone solution / suspension (generic for Cortisporin®)	Cipro® HC Suspension ciprofloxacin solution (generic for Cetraxal®) Coly-Mycin® S Drops Cortisporin-TC® Suspension ofloxacin drops (generic for Floxin®)

### Guidance regarding Diovan HCT

N.C. Division of Medical Assistance (DMA) has been made aware that there may be a market shortage causing a backorder for Diovan HCT 320/25, which is a preferred medication for N.C. Medicaid. Until the market shortage is resolved, providers can submit a prior approval (PA) request for the generic on the secure NCTracks Provider Portal. Pharmacies can also contact the NCTracks Pharmacy Prior Approval Call Center for PA authorizations.

### Buprenorphine and Buprenorphine/Naloxone Treatment Plans - PA Criteria

The North Carolina Division of Medical Assistance requires all pharmacy Prior Approval (PA) renewal requests for Buprenorphine and Buprenorphine/Naloxone products to include a treatment plan.

Providers MUST submit a current treatment/care plan when requesting renewal authorizations for both preferred and non-preferred medications in this class. The treatment plan must detail the patient's progress on the requested medication, and explain the strategy for continuing (or tapering) the medication in the future. This requirement for a treatment plan applies only to renewal requests. Failure to provide an appropriate treatment plan may result in denial of renewal requests for this drug class.

For a complete review of the prior approval criteria, please visit the [NCTracks Prior Approval Drugs and Criteria page](#) and select the link for Subutex/Suboxone.

## Pharmacy Reimbursement Methodology Changes

On Jan. 11, 2016, the Centers for Medicare & Medicaid Services (CMS) notified DMA that our State Plan Amendment (SPA) 14-047 had been reviewed and, consistent with 42 CFR 430.20, was approved with an effective date of Jan. 1, 2016.

The approved SPA proposes that the state will use an average acquisition cost (AAC) reimbursement methodology to reimburse brand and generic drug ingredient costs. The National Average Drug Acquisition Cost (NADAC) will be used to determine the AAC when NADAC is available. If NADAC pricing is not available, the state will calculate the AAC as the Wholesale Acquisition Cost (WAC) + 0%. The amendment also proposed that the state pay pharmacies a tiered dispensing fee as follows:

- \$13.00 when 85% or more claims per quarter are for generic or preferred brand drugs,
- \$7.88 when less than 85% of claims per quarter are for generic or preferred brand drugs, and
- \$3.98 for non-preferred brand drugs.

DMA has posted a [NADAC FAQ](#).

**This reimbursement methodology is NOT programmed in NCTracks at this time.**

Once programming is completed, pharmacy claims paid between Jan. 1, 2016, and when the updated reimbursement methodology is implemented into NCTracks will be reversed and rebilled according to the updated reimbursement methodology.

Until then, pharmacies will continue to be paid according to the current reimbursement methodology. Pharmacies are advised that this may result in an overpayment once the reverse and rebilling process is completed. Any difference will be recouped against future payments.

## CMS Issues Final Outpatient Pharmacy Drugs Policy

On Jan. 21, 2016, the Centers for Medicare & Medicaid Services (CMS) issued a final rule with comment to implement the Medicaid drug rebate provisions in the Affordable Care Act. North Carolina's approved State Plan Amendment updating its pharmacy reimbursement methodology is aligned and consistent with the regulations within this new policy.

The rule addresses key areas of Medicaid drug reimbursement and changes made to the Medicaid Drug Rebate Program by the Affordable Care Act. Among other things, this final rule ensures federal and state savings on Medicaid drug costs, establishes the long-term framework for implementation of the Medicaid drug rebate program, and creates a more fair reimbursement system for Medicaid programs and pharmacies. For more information, including summaries of key provisions of the final rule, visit the [Covered Outpatient Drugs Policy](#) page on [Medicaid.gov](#).

## **NC Medicaid Provider Enrollment Requirement**

42 CFR 455.410 requires any attending, rendering, ordering, referring or prescribing providers to enroll with N.C. Medicaid and/or N.C. Health Choice (NCHC) to help prevent and detect fraud and abuse. This includes anyone who orders, refers, or prescribes services or items (such as pharmaceuticals) to NC Medicaid and NCHC beneficiaries, and seeks reimbursement.

**Beginning with date of service Feb. 1, 2016**, NC Medicaid will comply with this regulation. New editing in NCTracks will ensure the prescribing provider NPI submitted on a pharmacy claim is enrolled. The only exceptions are residents of teaching schools and AHECs, and providers employed in the state operated facilities until Aug. 1, 2016. If the prescribing provider is not enrolled, the pharmacy claim will deny and the pharmacy will receive notification that prescribing provider is not enrolled. Prior authorization or the emergency override (03) will NOT bypass the edit and will NOT allow the pharmacy claim to pay.

Pharmacies are encouraged to help the beneficiary get the prescription written on the order of an enrolled provider when a pharmacy claim denies for this reason.

## **72-hour Emergency Supply Available for Pharmacy Prior Authorization Drugs**

Pharmacy providers are encouraged to use the 72-hour emergency supply allowed for drugs requiring prior authorization. ***Federal law requires that this emergency supply be available to Medicaid recipients for drugs requiring prior authorization*** (Social Security Act, Section 1927, 42 U.S.C. 1396r-8(d)(5)(B)). Use of this emergency supply will ensure access to medically necessary medications.

The system will bypass the prior authorization requirement if an emergency supply is indicated. Use a "3" in the Level of Service field (418-DI) to indicate that the transaction is an emergency fill. ***Note: Copayments will apply and only the drug cost will be reimbursed. There is no limit to the number of times the emergency supply can be used.***

## **Updated Federal Upper Limit Reimbursement List**

The Federal Upper Limit (FUL) reimbursement rate does not cover the cost of certain drugs. Medicaid pharmacy programs are required to reference this reimbursement information when pricing drug claims. To receive adequate reimbursement, pharmacy providers may use the ***DAWI*** override to disregard the FUL reimbursement rate for the drugs listed on the FUL list until the FUL rate has been adjusted to adequately cover the cost of the drug.

As indicated in previous communications, use of the ***DAWI*** override code is monitored. A claim submitted for more than the State Maximum Allowable Cost (SMAC) rate on file may lead to an identifiable overpayment. Any difference between the SMAC rate on file for the date of service and the actual rate applied to the claim (***if higher***) may be considered an overpayment and subject to recoupment.

Listed below are **ONLY NEW ADDITIONS** since the previous month. The full list is available on the [DMA Outpatient Pharmacy Services webpage](#).

<b>NDC</b>	<b>NAME</b>
00185012901	BUMETANIDE 1 MG TABLET/SANDOZ
00185012905	BUMETANIDE 1 MG TABLET/SANDOZ
35356091230	BUMETANIDE 1 MG TABLET/QUALITY CARE
35356091290	BUMETANIDE 1 MG TABLET/QUALITY CARE
42291017901	BUMETANIDE 1 MG TABLET/AVKARE
42291017910	BUMETANIDE 1 MG TABLET/AVKARE
42799012001	BUMETANIDE 1 MG TABLET/EDENBRIDGE PHARM
42799012002	BUMETANIDE 1 MG TABLET/EDENBRIDGE PHARM
54868376400	BUMETANIDE 1 MG TABLET/PHYSICIANS TC
54868376401	BUMETANIDE 1 MG TABLET/PHYSICIANS TC
54868376402	BUMETANIDE 1 MG TABLET/PHYSICIANS TC
54868376403	BUMETANIDE 1 MG TABLET/PHYSICIANS TC
00168000715	NYSTATIN 100,000 UNITS/GM OINT/FOUGERA
00168000730	NYSTATIN 100,000 UNITS/GM OINT/FOUGERA
00472016615	NYSTATIN 100,000 UNITS/GM OINT/ACTAVIS PHARMA
00472016630	NYSTATIN 100,000 UNITS/GM OINT/ACTAVIS PHARMA
23490602603	NYSTATIN 100,000 UNITS/GM OINT/PALMETTO STATE
42254028415	NYSTATIN 100,000 UNITS/GM OINT/PHYSICIAN PARTN
45802004811	NYSTATIN 100,000 UNITS/GM OINT/PERRIGO
45802004835	NYSTATIN 100,000 UNITS/GM OINT/PERRIGO
54569110400	NYSTATIN 100,000 UNITS/GM OINT/A-S MEDICATION
54868142501	NYSTATIN 100,000 UNITS/GM OINT/PHYSICIANS

#### **Electronic Cut-off Schedule**

Jan. 29, 2016  
 Feb. 5, 2016  
 Feb. 12, 2016  
 Feb. 19, 2016

#### **Checkwrite Schedule**

Feb. 2, 2016  
 Feb. 9, 2016  
 Feb. 17, 2016  
 Feb. 23, 2016

*POS claims must be transmitted and completed by 11:59 p.m. on the day of the electronic cut-off date to be included in the next checkwrite.*

The 2016 DMA checkwrite schedule is under **Quick Links** on the [NCTracks Provider Portal home page](#).

---

**John Stancil, R.Ph.**

Director, Pharmacy and Ancillary Services  
Division of Medical Assistance  
NC Department of Health and Human Services

**Sandra Terrell, RN**

Director of Operations and Clinical  
Division of Medical Assistance  
NC Department of Health and Human Services

**Dave Richard**

Deputy Secretary for Medical Assistance  
Division of Medical Assistance  
NC Department of Health and Human Services

**Nancy Henley, MD**

Chief Medical Officer  
Division of Medical Assistance  
NC Department of Health and Human Services

**Rick Paderick, R.Ph.**

Pharmacy Director  
NCTracks  
CSRA

**Lori Landman**

Deputy Executive Account Director  
NCTracks  
CSRA

**Paul Guthery**

Executive Account Director  
NCTracks  
CSRA

---