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Exemption from Pharmacy Co-pay

DMA has seen an increase in questions regarding Medicaid beneficiaries who are exempt from paying pharmacy co-pays. A Medicaid beneficiary is exempt from a co-payment for any one of the following:

a. The beneficiary is under 21 years of age.

b. The beneficiary resides in a nursing home facility, Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) or a mental health hospital.

   Adult care homes and hospice beneficiaries are responsible for co-payment.

c. The drug is classified as family planning (birth control medication). Exemption from the co-pay for family planning drugs is indicated on the drug file and does not require any additional indicators. Do not collect a co-pay for oral contraceptives.

d. The beneficiary is classified as a CAP beneficiary as indicated on the beneficiary's Medicaid Identification Card (MID card).

e. The beneficiary is pregnant. The co-payment exemption is made automatically by the claims processing system for an eligible beneficiary. In the event that the system does not override the co-pay, the pharmacy may use any of the ICD-10-CM codes listed below to indicate pregnancy.

   A "4" in the Prior Authorization Type Code or a "2" in the pregnancy indicator field on a point-of-sale (POS) claim also indicates an exemption from the co-payment deduction for pregnancy.

ICD-10-CM Codes to Indicate Pregnancy

ICD-10-CM					
O09.00	O09.293	O09.521	O09.72	O09.90	Z34.02
O09.01	O09.299	O09.522	O09.73	O09.91	Z34.03
O09.02	O09.30	O09.523	O09.811	O09.92	Z34.80
O09.03	O09.31	O09.529	O09.812	O09.93	Z34.81
O09.10	O09.32	O09.611	O09.813	O36.80x0	Z34.82
O09.11	O09.33	O09.612	O09.819	O36.80x1	Z34.83
O09.12	O09.40	O09.613	O09.821	O36.80x2	Z34.90
O09.13	O09.41	O09.619	O09.822	O36.80x3	Z34.91
O09.211	O09.42	O09.621	O09.823	O36.80x4	Z34.92
O09.212	O09.43	O09.622	O09.829	O36.80x5	Z34.93
O09.213	O09.511	O09.623	O09.891	O36.80x9	
O09.219	O09.512	O09.629	O09.892	Z33.1	
O09.291	O09.513			Z34.00	

O09.292	O09.519	O09.70 O09.71	O09.893 O09.899	Z34.01	

Oral Liquid Docusate Sodium – Voluntary Recall

PharmaTech, is voluntarily recalling all non-expired lots of a stool softener Diocto liquid, a docusate sodium oral solution distributed by Rugby Laboratories. The recall is due to contamination with Burkholderia cepacia, with about 50 reported cases linked to an outbreak in five states.

B. cepacia, a gram negative bacterium that is a member of the B. cepacia complex, may result in serious infections that could be life-threatening in immunocompromised patients particularly those with chronic lung conditions (e.g. cystic fibrosis). The FDA has received several adverse event reports of B. cepacia infections in patients (some with oral liquid docusate sodium manufactured by companies other than PharmaTech).

The recall includes all lots of Diocto liquid (NDC 0536-0590-85) packaged in one pint (473 mL) bottles. Diocto liquid was distributed nationwide to wholesale and retail facilities including hospitals and pharmacies. PharmaTech is notifying its distributors and customers by recall letter and is arranging for return of all recalled products. Patients, pharmacies, and healthcare facilities should stop using and/or dispensing the product.

Both the Food and Drug Administration (FDA) and the Centers for Disease Control and Prevention (CDC) recommend that clinicians NOT use ANY liquid docusate sodium product as a stool softener or for any other medical use. They will provide additional information as their investigation continues. If an oral liquid docusate stool softener is medically necessary, alternative agents should be used.

Related Links:

FDA Communication:
http://www.fda.gov/safety/medwatch/safetyinformation/safetyalertsforhumanmedicalproducts/ucm511528.htm

PharmaTech Communication: http://www.fda.gov/Safety/Recalls/ucm511525.htm

CDC Communication: https://www.cdc.gov/hai/outbreaks/b-cepacia/index.html

National Average Drug Acquisition Cost (NADAC) Information

The NADAC pricing methodology is set for implementation on August 1, 2016. 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%. Reimbursement methodology will continue to include the lesser of NADAC, or WAC in absence of NADAC, the State Maximum Allowable Cost (SMAC) rate on file and the usual and customary (U&C) price submitted. The state will 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

Myers and Stauffer LC, the contractor for the Retail Price Survey, will operate the NADAC help desk. The operating hours for the help desk are Monday through Friday from 8 AM to 8 PM EST and contact information is included below.

Toll-free phone: (855) 457-5264
Electronic mail: survey@mslcrps.com
Facsimile: (317) 816-4134

Pharmacies are able to contact the help desk for any questions related to the NADAC survey process or if they have questions or concerns with a specific NADAC rate, such as those related to recent large price increases or drug shortages.

NADAC Weekly Files and NADAC Week to Week Comparison files can be found on the CMS Medicaid website at the link below:

https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Prescription-Drugs/Pharmacy-Pricing.html

NADAC Methodology (Part II) and NADAC Help Desk contact information:

https://www.medicaid.gov/medicaid-chip-program-information/by-topics/benefits/prescription-drugs/survey-of-retail-prices.html

The links regarding NADAC are also posted on the DMA Pharmacy website (http://dma.ncdhhs.gov/providers/programs-services/Prescription-drugs/Outpatient-Pharmacy-Services) under the Reimbursement Section.

Payment of Medicare Crossover Pharmacy Claims for QMB Recipients

Reimbursement of Medicare primary pharmacy claims for recipients with the Medicaid eligibility classification of “Q” have changed. **Beginning Aug. 1, 2016**, NCTracks pays

QMB and QMB+ (a.k.a. Q class) Medicare crossover pharmacy claims according to state policy:

- Services covered by Medicaid are paid at Lesser of Logic.
- Services that are non-covered by Medicaid pay the full cost-share.

The determining factor regarding how the pharmacy crossover claims are reimbursed is whether or not the NDC is covered by Medicaid on the date of service. If the National Drug Code (NDC) is covered by Medicaid on the date of service, the claim will process to pay according to the Lesser of Logic pricing methodology. If the NDC is not covered by Medicaid on the date of service, it will process to pay 100 percent of Medicare cost share.

Note: For recipients who are MQBQ, Medicaid payment can only be made for services that have been approved/allowed by Medicare. There is no coverage for straight Medicaid claims for MQBQ recipients.

Medicare crossover pharmacy claims paid between March 2, 2015, and July 31, 2016, will be reprocessed to apply the state policy. A further announcement will be published once the date for reprocessing has been finalized.

For more information on the state policy regarding reimbursement of Medicare crossover claims for QMB recipients, including an explanation of Lesser of Logic, see the September 2015 Medicaid Bulletin.

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.***

Electronic Cutoff Schedule	Checkwrite Schedule
July 29, 2016	August 2, 2016
August 5, 2016	August 9, 2016
August 12, 2016	August 16, 2016

August 19, 2016	August 23, 2016
August 26, 2016	August 30, 2016

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

The 2016 DMA checkwrite schedule is under **Quick Links** on the NCTracks Provider Portal home page.

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