An Information Service of the Division of Medical Assistance

North Carolina

Medicaid Pharmacy

Newsletter

Number 287 *July 2018*

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

800-688-6696

Pharmacy Claims Review Program

Pharmacists and their staff are responsible for ensuring patients receive the correct medication in the correct dosage form. The correct billing of selected dosage forms can sometimes be difficult to decipher. A National Council for Prescription Drug Programs (NCPDP) pharmacist explains, "Billing unit errors can have serious consequences when State Medicaid agencies are involved, as underpayment or overpayment of rebates could generate a fraud investigation by the State or by the Centers for Medicare and Medicaid Services (CMS)."[1]

Therefore, North Carolina Medicaid has contracted with Myers and Stauffer, LC to review pharmacy claims and contact pharmacy providers by phone regarding claims identified as being potentially submitted with improper billing units.

When contacted, pharmacy providers will be asked to confirm the billing units for the paid claim(s) in question. If it is determined that the claim was incorrectly billed, they will be asked to resubmit the claim(s) using the correct billing units and days' supply.

It is important for pharmacy providers to discuss correct billing procedures with their pharmacy staff to determine whether staff members are correctly submitting claims for drugs commonly submitted with improper billing units. In addition, it may be helpful to provide pharmacy staff with job aids associated with common types of quantity and/or days' supply miscalculations. The examples below are not comprehensive, but suggest potential opportunities for job aids.

- Oral products:
    - Anti-migraine agents,
    - Bowel preparations,
    - Multi-drug/multi-month packs, and
    - Osteoporosis agents.
- Other dosage forms:
    - Inhalers,
    - Ophthalmic products,
    - Topical products, and
    - Vaginal products.
- Injections
- Kits

CMS has published a free on-line educational Pharmacy Auditing and Dispensing Toolkit for pharmacies, designed to improve Medicaid program integrity and quality. The Pharmacy Auditing and Dispensing Toolkit focuses on areas of pharmacy that are prone to triggering audits of pharmacy health care professionals. This toolkit is a four-part series that covers prescribing practices, controlled substances, invoice management and billing practices. Useful tools and materials contained in this toolkit include videos, presentation handouts, booklets, job aids, a checklist and a resource guide.

[1] Pharmacy Auditing and Dispensing Job Aid: Billing Other Dosage Forms. Retrieved July 23, 2018.

Medications Subject to the Unbreakable Package Edit

Billing inaccurate package sizes creates extra costs and delays for the Medicaid and North Carolina Health Choice (NCHC) programs when collecting drug rebates from manufacturers. Providers should bill the quantity that matches the package size for the NDC billed. If a different package size is used for the refill, the prescription must be updated to match the drug dispensed with the drug on the label, as is also required by law.

The North Carolina Medicaid Outpatient Pharmacy Program accepts metric decimal quantities. To assist providers in billing correct quantities, an edit is in place in NCTracks to deny claims billed with inaccurate units for certain medications. The chart below lists medications currently subject to this edit. The list applies to both brand and generic formulations.

Medications Subject to the Unbreakable Package Edit
Current as of August 1, 2018

adalimumab injection/pen/syringe
albuterol sulfate inhaler
aluminum chloride solution topical
anakinra syringe
bacitracin/polymyxin B sulfate ophthalmic ointment
beclomethasone dipropionate inhaler
benzoyl peroxide cleanser
betamethasone valerate foam
blood glucose diagnostic drum strips
budesonide nasal spray
butoconazole nitrate cream vaginal
butorphanol tartrate nasal spray
calcitonin nasal spray
ciclopirox solution
ciprofloxacin HCL ophthalmic ointment
ciprofloxacin HCL/dexamethasone otic suspension
clindamycin phosphate foam
clobetasol propionate emulsion foam
conjugated estrogen vaginal cream
dalteparin sodium, porcine injection syringe
darbepoetin alfa vial/syringe
desonide foam
dornase alfa ampule
enoxaparin sodium syringe/vial/ampule

erythromycin ophthalmic ointment
etanercept syringe
filgrastim syringe
fluocinolone oil
fluticasone propionate nasal spray
fluticasone/salmeterol inhaler
fondaparinux sodium syringe
gentamicin ophthalmic ointment
glucometer test strips
hydrocortisone acetate/urea cream
insulin
interferon alfacon-1 vial
interferon beta-1a/albumin syringe
Ipratropium bromide inhaler/solution
Ipratropium bromide/albuterol sulfate inhaler
lancets
latanoprost ophthalmic drops
lidocaine ointment
medroxyprogesterone acetate syringe
methotrexate/PF injection
metronidazole vaginal gel
mometasone furoate nasal spray
natalizumab vial
neomycin sulfate/bacitracin/polymyxin ophthalmic ointment
paliperidone palmitate injection/syringe
pegademase injection
pegfilgrastim syringe
penciclovir cream
posaconazole vial
ranibizumab vial/syringe intraocular
Rho(D) immune globulin syringe
Rho(D) immune globulin/maltose vial
somatropin cartridge
sumatriptan succinate cartridge
testosterone gel packet topical
tobramycin/dexamethasone ophthalmic ointment
tocilizumab syringe
travoprost ophthalmic drops
triamcinolone acetonide nasal spray
trifluridine ophthalmic drops
urea cream/lotion

Clinical Pharmacist Practitioners (CPPs)

Effective July 29, 2018, Clinical Pharmacist Practitioner (CPP) taxonomy code 1835P0018X will be added to allow in-state, border and out-of-state individual Medicaid/Health Choice providers to enroll in NCTracks.

CPPs will be authorized to act as an ordering, prescribing, referring (OPR) or rendering provider working under the direction or supervision of a licensed physician. For the supervising physician (or the organization employing the supervising physician and the CPP) to bill for the services provided by the CPP, the CPP must complete the full enrollment application to be listed as the rendering provider on a claim. The services provided by the CPP can NOT be billed as incident to the physician. **Therefore, CPPs must complete the individual application (full enrollment) instead of the OPR Lite abbreviated application.**

Required licensure and certification for the CPP taxonomy are:

- Full and unrestricted license to practice as a pharmacist in North Carolina or the state in which the provider resides, and,
- Full and unrestricted certificate to practice as a CPP in North Carolina.

Out-of-state providers must be certified to practice as a CPP according to the rules of the state in which they practice.

The following enrollment requirements will apply:

- $100 application fee
- Credentialing and criminal background checks
- Re-credentialing every five years, and,
- Manage Change Request (MCR) submission to update or end date the provider record

Per 21 N.C.A.C. 46.3101, a CPP is approved to provide drug therapy management, including controlled substances, under the direction or supervision of a licensed physician only.

The CPP fee schedule lists procedure codes and their corresponding reimbursement rates.

If a claim is submitted with a CPP's NPI and taxonomy as the billing provider, the claim will be denied with Explanation of Benefits (EOB) 01877 - PROVIDER IS NOT AUTHORIZED TO ACT AS A BILLING PROVIDER.

Note: The NPI Exemption List deadline is Aug. 31, 2018. CPPs are encouraged to begin the enrollment process on July 30, 2018. For information on how to enroll, refer to the Provider Enrollment page of the NCTracks website.

Hemlibra Classified as Clotting Factor Drug as of July 2018

Generic Name: emicizumab-kxwh injection, for subcutaneous use
Brand Name: Hemlibra®

The Centers for Medicare and Medicaid Services (CMS) has classified Hemlibra as a clotting factor product, effective on the July 2018 Average Sales Price (ASP) Pricing File. Based upon this new classification, the following State Maximum Allowable Cost (SMAC) rates have been established for reimbursement effective for claims with date of service on or after July 1, 2018.

For Medicaid and NC Health Choice (NCHC) Billing

For both outpatient pharmacy and Physician Drug Program (PDP) claims, pharmacy providers should utilize and bill the quantity associated with the least number of vials necessary to meet the dosage need of the patient.

- **Pharmacy Claims**
  - NCPDP Billing Unit Standard is per 1 milliliter (mL).
  - Pharmacy claims should be submitted with the applicable number of milliliters. The current per-unit dispensing fee for clotting factor claims is $0.04 for hemophilia treatment centers and $0.025 for all other pharmacy providers. Because this per-unit dispensing fee was established based on standard units of clotting factor dispensed, it results in a low dispensing fee per claim for Hemlibra. Therefore, this was taken into account during the calculation of the SMAC rate.
    - Hemlibra Pharmacy claim non-340B SMAC Rates:
    - Hemlibra 30mg: $2,915.52545 per 1 mL = $2,915.52545 per 1 mL vial
    - Hemlibra 60mg: $14,245.37725 per 1 mL = $5,698.15090 per 0.4 mL vial
    - Hemlibra 105mg: $14,102.99107 per 1 mL = $9,872.09375 per 0.7 mL vial
    - Hemlibra 150mg: $14,046.03660 per 1 mL = $14,046.03660 per 1 mL vial

- **PDP Claims**
  - The ICD-10-CM diagnosis code required for billing is: D66 - Hereditary factor VIII deficiency
  - Providers must bill with HCPCS code: Q9995 - Injection, emicizumab-kxwh, 0.5 mg (Effective July 1, 2018)
  - One Medicaid unit of coverage is: 0.5 mg
  - The maximum reimbursement rate per unit is: $46.37712
  - Providers must bill 11-digit National Drug Codes (NDCs) and appropriate NDC units. The NDCs are: 50242-0920-01, 50242-0921-01, 50242-0922-01, 50242-0923-01

- The NDC units should be reported as "UN1".
- For additional information, refer to the January 2012, Special Bulletin, *National Drug Code Implementation Update*.
- For additional information regarding NDC claim requirements related to the PDP, refer to the PDP Clinical Coverage Policy No. 1B, Attachment A, H.7 on the NC Division of Medical Assistance (DMA)'s website.
- Providers shall bill their usual and customary charge for non-340B drugs.
- PDP reimburses for drugs billed for Medicaid and NCHC beneficiaries by 340B participating providers who have registered with the Office of Pharmacy Affairs (OPA). Providers billing for 340B drugs shall bill the cost that is reflective of their acquisition cost. Providers shall indicate that a drug was purchased under a 340B purchasing agreement by appending the "UD" modifier on the drug detail.
- The fee schedule for the PDP is available on DMA's PDP web page.

ICD-10-CM Manual. American Medical Association, 2018 manual.

*Information is current as of July 23, 2018, and is not a substitute for professional judgment. For full prescribing information, please refer to current package insert or other appropriate sources prior to making clinical judgments.

2017-2018 NC Medicaid and Health Choice Preferred Drug List

Preferred Brands with Non-Preferred Generic Alternatives
Current as of August 1, 2018

Preferred Brand	Non-Preferred Generic
Actiq Lozenge	fentanyl citrate lozenge
Adderall XR	amphetamine Salt Combo ER
Aggrenox	aspirin-dipyridamole ER
Alphagan P	brimonidine P
Androgel	testosterone
Astepro nasal spray	azelastine nasal spray
Benzaclin Pump	clindamycin/benzoyl peroxide with pump
Butrans	buprenorphine
Catapres-TTS	clonidine patches
Cipro Suspension	ciprofloxacin suspension
Clobex Shampoo	clobetasol shampoo
Copaxone	glatiramer
Diastat Accudial/Pedi System	diazepam rectal/system
Differin	adapalene
Diovan	valsartan
Dovonex cream	calcipotriene cream
Emend	aprepitant

Preferred Brand	Non-Preferred Generic
Epiduo gel	adapalene/benzoyl peroxide gel
Epivir HBV	lamivudine
Evista	raloxifene
Exelon Patch	rivastigmine patch
Exforge	amlodipine / valsartan
Exforge-HCT	amlodipine / valsartan / HCT
Fazaclo ODT	clozapine ODT
Focalin / Focalin XR	dexmethylphenidate
Gabitril 2mg, 4mg, 12mg, and 16mg	tiagabine
Glyset	miglitol
Hepsera 10 mg	adefovir
Istalol drops	timolol drops
Kadian ER	morphine sulfate er
Kapvay	clonidine ER
Kitabis Pak	tobramycin
Lialda	mesalamine
Lovenox vial	enoxaparin vial
Methylin Solution	methylphenidate solution
MetroCream	metronidazole cream
MetroLotion	metronidazole lotion
Metrogel Topical gel/pump	metronidazole gel topical
Natroba	spinosad
Nuvigil	armodafinil
Orapred ODT	prednisolone ODT
Oxycontin	oxycodone ER
Pataday	olopatadine
Patanase	olopatadine
Provigil	modafinil
Pulmicort respules	budesonide respules
Renvela powder pkt	sevelamer powder pkt
Retin-A Cream/Gel	tretinoin cream/gel
Rythmol SR	propafenone SR
Sabril Powder Pack	vigabatin powder pack
Suboxone Film	buprenorphine/naloxone film
Suprax Susp	cefixime Susp
Symbyax	olanzepine / fluoxetine
Tamiflu	oseltamivir
Tegretol Tab/ Susp /XR	carbamazepine Tab/ Susp / XR
TobraDex Drops	tobramycin / dexamethasone drops
Transderm-Scop	scopolamine
Vagifem	estradiol
Vigamox	moxifloxacin

Preferred Brand	Non-Preferred Generic
Voltaren Gel	diclofenac gel
Zetia	ezetimibe
Zovirax ointment	acyclovir ointment

State Maximum Allowable Cost (SMAC) Update

North Carolina Medicaid outpatient pharmacy reimbursement methodology as approved by the Centers of Medicare and Medicaid Services (CMS) includes the use of a State Maximum Allowable Cost (SMAC) rate for generic drugs with A-rated equivalents and, in the great majority of cases, generic drugs marketed by at least two labelers.

The SMAC reimbursement is based on the application of a percentage factor applied to the lowest priced generic drug. In cases where the calculated SMAC rate, based on the primary percentage factor, results in a price less than the cost of the second lowest generic drug, at least an additional 10 percent margin is added to the cost of the second-lowest generic drug to determine the SMAC rate. The SMAC pricing factor is established by NC Medicaid and may change as deemed appropriate.

For generic drugs with only one supplier, the SMAC rate is calculated using the actual acquisition cost and average wholesale price of the generic drug. A minimum reimbursement of 20 percent above actual acquisition is guaranteed for these drugs. In most cases, SMAC rates are substantially higher than this 20 percent, which allows the state and pharmacies to share in the cost savings of using the generic product.

Generic drugs on the SMAC list must be in adequate supply. Drug shortage information is verified through national pharmacy websites as well as through information provided by national drug wholesalers.

North Carolina Medicaid has contracted with Myers and Stauffer to provide assistance in maintaining the SMAC list and rates for generic drugs. Myers and Stauffer routinely reviews and updates the SMAC rates to reflect changes in drug availability and current pricing. New drugs are also added to the SMAC list as they are identified.

Pharmacy providers may also contact Myers and Stauffer regarding specific questions or concerns about the SMAC rate fee schedule or rate calculation process. Pharmacy providers can reach the pharmacy unit of Myers and Stauffer by:

Regular Mail: **Myers and Stauffer LC**
Pharmacy Unit
9265 Counselors Row, Suite 100
Indianapolis, IN 46240
Telephone: (800) 591-1183
Facsimile: (317) 571-8481

E-Mail: ncpharmacy@mslc.com

Internet: www.mslc.com/northcarolina

Pharmacy providers with concerns about a particular SMAC rate will be asked to complete a "STATE MAXIMUM ALLOWABLE COST PROGRAM – REQUEST FOR MEDICAID REIMBURSEMENT REVIEW" form. This request should be completed by filling in the appropriate information and submitting copies of drug purchase records to illustrate your current purchase price for the particular generic drug(s) in question.

- Myers and Stauffer will acknowledge your request and documentation within 24 hours of receipt, Monday through Friday.
- Based on the information obtained, Myers and Stauffer may conduct additional inquiries with other pharmacies to obtain additional pricing information to determine if there has been a change in the market.
- After reviewing the data submitted and any corroborating information that can be obtained, Myers and Stauffer will prepare an analysis of the issue for North Carolina Medicaid Pharmacy program.
- The results of this review will be communicated to the pharmacy provider as soon as a final decision is made. If a rate adjustment is approved, a file will be prepared to update the SMAC rate fee schedule in NCTracks.

SMAC rates may be adjusted and made effective retroactively. Any changes will be reflected in the effective dates reported in the monthly posted SMAC list which can be found at: https://dma.ncdhhs.gov/documents/smac-list. It is the responsibility of the pharmacy provider to access these changes and reprocess pharmacy claims, when appropriate, to receive the more current reimbursement rate.

Are You Due for Re-Verification?

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 approval**. Federal law requires that this emergency supply be available to Medicaid beneficiaries for drugs requiring prior approval** (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 approval 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
August 3, 2018	August 7, 2018
August 10, 2018	August 14, 2018
August 17, 2018	August 21, 2018
August 24, 2018	August 28, 2018

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 2018 checkwrite schedules for both DMA and DMH/DPH/ORH can be found under the Quick Links on the right side of the NCTracks Provider Portal home page.

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