



*Medical Assistance*  
HEALTH AND HUMAN SERVICES

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

**North Carolina  
Medicaid Pharmacy  
Newsletter**

*Number 262*

*November 2016*

**In This Issue...**

**Change to the Beneficiary Management Lock-in Program beginning January 2017**

**Upcoming PDL changes for Abilify and aripiprazole**

**Preferred Brands with Non-Preferred Generics - NC Medicaid Preferred Drug List**

**N.C. Medicaid and N.C. Health Choice Preferred Drug List Changes**

**Proper DAW use with Narrow Therapeutic Index Drugs**

**National Average Drug Acquisition Cost (NADAC) Information**

**Pharmacy Advertising of Flu Vaccines**

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

**No NCTracks Checkwrite on December 27**

**Checkwrite Schedule for December 2016**

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

800-688-6696

## **Change to the Beneficiary Management Lock-in Program beginning January 2017**

The North Carolina Administrative Code, 10A NCAC 22F .0704 and 10A NCAC 22F .0104, Session Law 2015-241, Section 12F.16.(l), along with 42 CFR 431.54 and the State Plan Amendment supports the State's development of procedures for the control of beneficiary overutilization of Medicaid benefits which includes implementing a Beneficiary Management Lock-In program. In accordance with Session Law 2015-268, Section 4.4. , the lock-in period has been extended to two (2) years and program capacity has been expanded to include all NC Medicaid beneficiaries that meet the inclusion criteria. This change applies to beneficiaries receiving notification letters beginning January 2017. Criteria for inclusion in the Beneficiary Management Lock-In Program is listed in Clinical Coverage Policy No. 9 and below.

A Medicaid beneficiary identified for the lock-in program is restricted to a single prescriber and pharmacy in order to obtain opioid analgesics, benzodiazepines and certain anxiolytics. The beneficiary must obtain all prescriptions for these medications from their lock-in prescriber and lock-in pharmacy in order for the claim to pay. Claims submitted that are written by a prescriber or filled at a pharmacy other than those listed on the lock-in file are denied.

A beneficiary who qualifies for the program shall be notified and locked in for two (2) years after which time they will be removed from the program if they no longer meet the criteria. Once released from the lock-in program, prescription claims continue to be monitored. If a beneficiary meets the criteria again after being released from the program, they will be re-identified for the lock-in program. The beneficiary cannot change their lock-in prescriber or pharmacy without authorization from DMA.

A NC Medicaid beneficiary shall be locked-in to one prescriber and one pharmacy for controlled substances categorized as opiates or benzodiazepines and certain anxiolytics when one or more of the following criteria are met:

1. Beneficiary who has at least ONE of the following:
  - a. Benzodiazepines and certain anxiolytics: greater than six (6) claims in two (2) consecutive months.
  - b. Opiates: greater than six (6) claims in two (2) consecutive months.
2. Receiving prescriptions for opiates and/or benzodiazepines and certain anxiolytics from greater than three (3) prescribers in two (2) consecutive months.

The N.C. Medicaid Program shall reimburse an enrolled Medicaid pharmacy for a four (4)-day supply of a prescription dispensed to a beneficiary locked into a different pharmacy and prescriber in response to an emergent situation. The provider shall be paid for the drug cost only and the beneficiary shall be responsible for the appropriate copayment. One emergency occurrence is reimbursed per beneficiary during each year of the two (2) year lock-in periods. Paid quantities for more than a four (4)-day supply are subject to recoupment. The pharmacy should place a "3" in the level of service field.

Beneficiaries and providers who have questions regarding the lock-in program should contact CSRA at 1-866-246-8505.

### Upcoming PDL changes for Abilify and aripiprazole

Effective October 1, 2016, aripiprazole Tablets were moved to preferred status on the Preferred Drug List (PDL). Abilify Tablets will remain preferred until December 31, 2016, to allow pharmacies to exhaust their inventory. Effective January 1, 2017, Abilify Tablets will move to non-preferred status on the PDL.

DMA has been made aware that brand name Abilify Solution is no longer being made. In response to this information and to ensure that beneficiaries have access to a liquid formulation of aripiprazole, aripiprazole solution (generic) has been moved to preferred status on the PDL effective **November 11, 2016**.

These changes are illustrated in the table below.

| <b>BEHAVIORAL HEALTH</b>               |                             |
|--|-----------------------------|
| <b>ATYPICAL ANTIPSYCHOTICS</b>         |                             |
| <b>Oral</b>                            |                             |
| <b>Preferred</b>                       | <b>Non-Preferred</b>        |
| <b>Effective 10/01/2016-12/31/2016</b> |                             |
| Abilify® Discmelt / Tablet             | aripiprazole ODT / Solution |
| aripiprazole Tablet / Solution         |                             |
| <b>Effective 01/01/2017</b>            |                             |
| Abilify® Discmelt                      | Abilify® Tablet             |
| aripiprazole Tablet / Solution         | aripiprazole ODT            |

### Preferred Brands with Non-Preferred Generics - NC Medicaid Preferred Drug List

On **November 1, 2016**, the NC Medicaid Outpatient Pharmacy Program implemented **changes to the Preferred Drug List (PDL)**.

The changes could affect pharmacy stocking needs, generic substitution, product substitution, and POS overrides. If a brand is Preferred with a Non-Preferred generic equivalent, prior authorization for DAW-1 is not needed. Likewise, “brand medically necessary” is NOT needed on the face of the prescription. Below is a chart of preferred brands with non-preferred generics.

As a reminder, a 72-hour emergency supply may be provided if a prescription is awaiting prior authorization. A “3” in the Level of Service field (418-DI) should be used to indicate that the transaction is an emergency fill.

| <b>2016-2017 NC Medicaid and Health Choice Preferred Drug List</b><br>Effective 11.1.2016 <i>(bold items are newly preferred)</i> |                              |
|---|------------------------------|
| <b>Preferred Brand</b>  | <b>Non-Preferred Generic</b> |
| Abilify Discmelt  | aripiprazole ODT             |
| Adderall XR   | amphetamine salt combo ER    |
| Aggrenox  | aspirin-dipyridamole ER      |
| Aldara  | imiquimod                    |
| Alphagan P  | brimonidine                  |
| Androgel  | testosterone                 |
| Astepro   | azelastine                   |
| Avelox  | moxifloxacin                 |
| Bactroban Cream   | mupirocin cream              |
| Baraclude   | entecavir                    |
| Benzaclin   | clindamycin/benzoyl Peroxide |
| Catapres-TTS  | clonidine patches            |
| Cedax   | ceftibuten                   |
| Celebrex  | celecoxib                    |
| Cipro Suspension  | ciprofloxacin suspension     |
| Copaxone  | Glatopa                      |
| Derma-Smoothe-FS  | fluocinolone 0.01% Oil       |
| Desoxyn   | methamphetamine              |
| Diastat Accudial/Pedi System  | diazepam rectal / system     |
| Differin  | adapalene                    |
| Diovan  | valsartan                    |
| Epivir HBV  | lamivudine HBV               |
| Exforge   | amlodipine / valsartan       |
| Exforge HCT   | amlodipine / valsartan / HCT |
| Focalin / Focalin XR  | dexmethylphenidate / ER      |
| Gabitril  | tiagabine                    |
| <b>Grifulvin V</b>  | Griseofulvin                 |
| Hepsera   | adefovir                     |
| Kadian ER   | morphine sulfate ER          |
| Lovenox   | enoxaparin                   |
| Metadate CD   | methylphenidate CD           |
| Methylin Solution   | methylphenidate solution     |
| Metrogel Topical  | metronidazole gel topical    |
| Natroba   | spinosad                     |
| Nexium (Rx)   | esomeprazole                 |
| Niaspan ER  | niacin ER                    |
| Orapred ODT   | prednisolone ODT             |

| <b>2016-2017 NC Medicaid and Health Choice Preferred Drug List</b><br>Effective 11.1.2016 <i>(bold items are newly preferred)</i> |                                  |
|---|----------------------------------|
| <b>Preferred Brand</b>  | <b>Non-Preferred Generic</b>     |
| Oxycontin   | oxycodone ER                     |
| Patanase  | olopatadine                      |
| Prandimet   | repaglinide / metformin          |
| Provigil  | modafinil                        |
| <b>Pulmicort respules</b>   | budesonide respules              |
| <b>Retin-A Cream/Gel</b>  | tretinoin cream/gel              |
| Ritalin LA  | methylphenidate LA               |
| Rythmol SR  | propafenone SR                   |
| Soritane  | acitretin                        |
| Symbyax   | olanzapine / fluoxetine          |
| Tobradex Drops  | tobramycin / dexamethasone drops |
| Tegretol XR Tablet  | carbamazepine XR                 |
| Tricor  | fenofibrate                      |
| Trilipix  | fenofibric acid                  |
| <b>Vancocin Capsule</b>   | vancomycin capsule               |
| Verelan PM  | verapamil ER PM                  |
| Vivelle-Dot Patch   | estradiol patch                  |
| Zovirax Suspension  | acyclovir suspension             |

### **N.C. Medicaid and N.C. Health Choice Preferred Drug List Changes**

Effective November 1, 2016, the N.C. Division of Medical Assistance (DMA) made changes to the [N.C. Medicaid and N.C. Health Choice Preferred Drug List \(PDL\)](#).

Below are a few highlights of the changes:

- Long Acting Insulin class: non-preferred drugs require trial and failure of 1 preferred instead of 2 preferred drugs
- Invokamet has been moved to preferred status. (still requiring trial and failure of a metformin containing product)
- All strengths of Accuneb are preferred.
- Astelin nasal spray has been moved to non-preferred status.
- Vivitrol has been moved to preferred status.
- Exemption added to Viberzi for beneficiaries with Irritable Bowel Syndrome with Diarrhea.
- Exemption added to Epaned Solution for children under 12 years old.

## Proper DAW use with Narrow Therapeutic Index Drugs

A new prescription for a drug that is on the Narrow Therapeutic Index (NTI) list that is written under its brand or trade name **must be** filled with a generic version of the drug when one is available **unless** the prescriber has indicated that the brand name drug is necessary by handwriting “**medically necessary**” on the prescription order. A refill prescription order for an NTI drug written under its brand or trade name **may not** be substituted with a generic version of the drug without written or verbal consent from the prescriber.

Pharmacists **MUST** use the Dispense as Written (DAW) code “7” in field 408-D8 when it is necessary to dispense a brand name NTI drug. The DAW 7 code means that substitution is not allowed and dispensing the brand drug is mandated by law. Please use DAW 7 for ALL NTI prescriptions, even those where “Medically Necessary” is written on the prescription.

Inappropriate use of DAW 7 for prescriptions for non-NTI drugs is subject to audit and recoupment.

### Narrow Therapeutic Index Drugs

Carbamazepine: all oral dosage forms

Cyclosporine: all oral dosage forms

Digoxin: all oral dosage forms

Ethosuximide

Levothyroxine sodium tablets

Lithium (including all salts): all oral dosage forms

Phenytoin (including all salts): all oral dosage forms

Procainamide

Tacrolimus: all oral dosage forms

Theophylline (including all salts): all oral dosage forms

Warfarin sodium tablets

## National Average Drug Acquisition Cost (NADAC) Information

DMA implemented the NADAC pricing methodology on August 1, 2016 to comply with both State and Federal mandates. CMS entered into a contract with Myers & Stauffer, LC, to perform a survey of the purchase prices of all covered outpatient drugs by retail community pharmacies. These pharmacies include independent community pharmacies and chain pharmacies consistent with section 1927(k)(10). A methodology document titled [Part II: Methodology for Calculating the National Average Drug Acquisition Cost \(NADAC\) \[PDF\]](#) has been developed to outline the processes used to derive the NADAC.

Effective November 27, 2013, CMS began posting final NADAC files. **To view the NADAC weekly files and the NADAC Week to Week File Comparison, please visit the [Pharmacy Drug Pricing Page](#).**

Please note that the NADAC file is updated on a weekly basis. Each month, a new file is posted to reflect findings from the previous month's survey results incorporating the weekly price changes that have occurred in the interim weeks before the next monthly NADAC file. For more information on the fields in the NADAC weekly file, please see the [NADAC Data Field Definitions \[PDF\]](#). In addition, to easily identify and understand the pricing changes that occur each week, CMS also post a NADAC Week to Week File Comparison which will accompany the weekly NADAC file. This comparison file identifies the drug products with current NADAC rates that are replaced with new NADAC rates. Other changes (e.g. NDC additions and terminations) to the NADAC file are not reflected in this comparison. The explanation of the data fields used in the comparison file are further defined in the [NADAC Week to Week Comparison Data Field Definitions \[PDF\]](#).

NC pharmacy providers may contact the **NADAC 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. Please note that the NADAC Help Desk will not address pharmacy inquiries into specific NC Medicaid claim reimbursement related questions or concerns.

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](mailto:survey@mslcrps.com)  
Facsimile: (844) 860-0236

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

## **Pharmacy Advertising of Flu Vaccines**

DMA has received questions regarding pharmacies advertising that they offer flu vaccines to N.C. Medicaid beneficiaries. DMA does not have any policies that prohibit this practice.

## 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.***

## No NCTracks Checkwrite on December 27

As stated in the published approved 2016 checkwrite schedules, "NCTracks will issue 50 checkwrites per fiscal year. The payment cycle will be weekly, exceptions being the last week of June (end of state fiscal year) and the last week of the calendar year." The last checkwrite date for the calendar year will be on December 20. There will be no checkwrite on December 27. The first checkwrite for the new calendar year will be on January 4, 2017.

The 2016 and 2017 checkwrite schedules for both DMA and DMH/DPH/ORHCC can be found under the Quick Links on the right side of the Provider Portal home page at <https://www.nctracks.nc.gov/content/public/providers.html>.

### Electronic Cutoff Schedule

December 2, 2016  
December 9, 2016  
December 16, 2016

### Checkwrite Schedule

December 6, 2016  
December 13, 2016  
December 20, 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 and 2017 DMA checkwrite schedules are posted under **Quick Links** on the [NCTracks Provider Portal home page](#).

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**John C. Stancil, Jr., R.Ph.**  
Director, Pharmacy and DMEPOS Programs  
Division of Medical Assistance  
NC Department of Health and Human Services

**Rick Paderick, R.Ph.**  
Pharmacy Director  
NCTracks  
CSRA



**Sandra Terrell, MS, RN**  
Director of 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

**Desiree Elekwa-Izuakor, Pharm D, MBA, CPC-A**  
Outpatient Pharmacy Program Manager  
Division of Medical Assistance  
NC Department of Health and Human Services

**Lori Landman**  
Deputy Executive Account Director  
NCTracks  
CSRA

**Paul Guthery**  
Executive Account Director  
NCTracks  
CSRA