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Newsletter**

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Changes in Manufacturer Centers for Medicare and Medicaid Services (CMS) Drug Rebate Agreements

The following changes have been made by manufacturers with their CMS Drug Rebate Agreements. It is listed by manufacturer's code, which are the first five digits of the National Drug Code (NDC).

Terminated Labelers

| | | | |
|-------|------------------------------|-----------|------------|
| 25021 | SAGENT PHARMACEUTICALS, INC. | Effective | 04/01/2017 |
| 60842 | KALEO, INC. (Voluntary) | Effective | 04/01/2017 |

Drugs manufactured by the two labelers above that terminated their CMS drug rebate agreement, will no longer be covered by NC Medicaid effective April 1, 2017.

Non-Covered "Nephro" Products Manufactured by Valeant

Labeler 00187, Valeant Pharmaceuticals North America LLC, has confirmed that the following non-drug products do not meet the definition of a covered outpatient drug as set forth in Section 1927(k)(2) of the Social Security Act. Thus, they are not eligible for inclusion in the Medicaid Drug Rebate Program (MDRP). These products are considered a non-covered service for NC Medicaid. The non-drug products that are ineligible for rebates are:

| NDC | Product Name |
|-------------------|----------------------------|
| 00187-5268 | Nephrocaps Softgels |
| 00187-5269 | Nephrocaps QT |

Claims that Contain NDCs Related to Vaccine CPT Codes

Currently, providers are required to submit NDCs with vaccine CPT codes by some private insurers. However, NCTracks will deny vaccine claims submitted with a non-rebatable NDC, such as those for vaccines.

Rather than requiring Medicaid and NCHC providers to bill differently for Medicaid and NCHC than they do for private insurers, effective Jan. 1, 2017, NCTracks will bypass Edit 00996 - SUB NDC IS NON-REBATABLE. Providers can now add NDCs for vaccines onto Medicaid and NCHC claims for better uniformity among claims submission requirements by the various insurers.

Providers are required to use appropriate NDCs that correspond to the vaccine used for administration and corresponding CPT code.

Below are the claim types and vaccine procedure (CPT) codes impacted by this implementation:

- Medicare Part B, Outpatient, Professional, and Health department claims
- 90585, 90620, 90621, 90632, 90636, 90644, 90645, 90647, 90648, 90649, 90651, 90656, 90658, 90670, 90675, 90680, 90681, 90685, 90686, 90687, 90688, 90696, 90698, 90700, 90703, 90704, 90706, 90707, 90710, 90713, 90714, 90715, 90716, 90723, 90732, 90733, 90734, 90736, 90744, 90746

New to Market Drug Additions to the NC Medicaid Preferred Drug List

Effective April 1, 2017, new to market drugs in the NC Medicaid Preferred Drug List (PDL) classes will be updated quarterly on the [posted PDL](#) and listed as “NR” (not reviewed). This is to clarify PDL placement for new to market drugs. Per policy, new to market drugs default to non-preferred status until they can be reviewed by the PDL Review Panel during their annual meeting in the fall.

Proposed Pharmacy Clotting Factor Reimbursement Methodology Changes

Effective April 1, 2017, DMA will be making changes to the reimbursement methodology for clotting factor. This reimbursement model IS NOT programmed in NCTracks at this time.

The current State Plan Amendment follows, but is subject to change depending on CMS approval:

Payment for Clotting Factor from Specialty Pharmacies, Hemophilia Treatment Centers (HTC), Centers of Excellence or any other pharmacy provider:

Reimbursement for clotting factor purchased through the 340B program and dispensed by specialty pharmacies, hemophilia treatment centers (HTC), Centers of Excellence or any other pharmacy provider will be reimbursed at the lesser of the following:

1. The 340B state maximum allowable cost (SMAC) plus a per unit professional dispensing fee; or
2. The provider’s usual and customary charge to the general public or their submitted charge.

Reimbursement for clotting factor purchased outside of the 340B program and dispensed by specialty pharmacies, hemophilia treatment centers (HTC), Centers of Excellence or any other pharmacy provider will be reimbursed at the lesser of the following:

1. The state maximum allowable cost (SMAC) plus a per unit professional dispensing fee; or
2. The provider’s usual and customary charge to the general public or their submitted charge.

This reimbursement is applicable to both pharmacy and procedure coded professional claims.

The per unit professional dispensing fee will be 4 cents per unit for HTC pharmacies and 2.5 cents per unit for all other pharmacies.

Clotting factor per unit professional dispensing fees shall be established by a clotting factor dispensing fee survey conducted no less than every three years.

The calculated actual acquisition costs and 340B ceiling prices will serve as the basis for establishing the SMAC reimbursement rates. There will be one rate listing for specialty pharmacies and one rate listing for HTC pharmacies. The SMAC rate listings will incorporate an additional 5.5 cents per unit for specialty pharmacies and an additional 7.5 cents per unit for HTC pharmacies, as well as a 0.015 cents per unit for Medication Therapy Management (MTM) for both type pharmacies.

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

If a brand is “Preferred” with a “Non-Preferred” generic equivalent, prior authorization for DAW-1 is not needed. Likewise, “medically necessary” is NOT needed on the face of the prescription. Below is an updated 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.

| 2016-2017 NC Medicaid and Health Choice Preferred Drug List | |
|--|------------------------------|
| Preferred Brand | Non-Preferred Generic |
| 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 |

| 2016-2017 NC Medicaid and Health Choice Preferred Drug List | |
|--|------------------------------|
| Preferred Brand | Non-Preferred Generic |
| 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 |
| Exelon | rivastigmine |
| Exforge | amlodipine / valsartan |
| Exforge HCT | amlodipine / valsartan / HCT |
| Focalin / Focalin XR | dexmethylphenidate / ER |
| Gabitril | tiagabine |
| Grifulvin V | Griseofulvin |
| Hepsera | adefovir |
| Invega ER | Paliperidone ER |
| Kadian ER | morphine sulfate ER |
| Lovenox | enoxaparin |
| Metadate CD | methylphenidate CD |
| Methylin Solution | methylphenidate solution |
| Metrogel Topical | metronidazole gel topical |
| Namenda | memantine |
| Nasonex | mometasone furoate |
| Natroba | spinosad |
| Nexium (Rx) | esomeprazole |
| Niaspan ER | niacin ER |
| Orapred ODT | prednisolone ODT |
| Oxycontin | oxycodone ER |
| Patanase | olopatadine |
| Prandimet | repaglinide / metformin |
| Provigil | modafinil |
| Pulmicort respules | budesonide respules |
| Retin-A Cream/Gel | tretinoin cream/gel |
| Ritalin LA | methylphenidate LA |
| Rythmol SR | propafenone SR |
| Seroquel XR | Quetiapine ER |
| Suprax | Cefixime |

| 2016-2017 NC Medicaid and Health Choice Preferred Drug List | |
|--|----------------------------------|
| Preferred Brand | Non-Preferred Generic |
| Soritane | acitretin |
| Symbyax | olanzapine / fluoxetine |
| Tamiflu | Oseltamivir |
| Tobradex Drops | tobramycin / dexamethasone drops |
| Tegretol XR Tablet | carbamazepine XR |
| Tricor | fenofibrate |
| Trileptal | Oxcarbazepine |
| Trilipix | fenofibric acid |
| Vancocin Capsule | vancomycin capsule |
| Verelan PM | verapamil ER PM |
| Vivelle-Dot Patch | estradiol patch |
| Voltaren | Diclofenac |
| Zovirax Suspension | acyclovir suspension |
| Zyvox | Linezolid |

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

March 31, 2017
 April 7, 2017
 April 14, 2017
 April 21, 2017

Checkwrite Schedule

April 4, 2017
 April 11, 2017
 April 18, 2017
 April 25, 2017

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 2017 DMA checkwrite schedule is posted under **Quick Links** on the [NCTracks Provider Portal home page](#).

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