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In This Issue...

Changes in Manufacturer CMS Drug Rebate Agreements

Non-Covered Nephro Products Manufactured by Valeant

Claims that Contain NDCs Related to Vaccine CPT Codes

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

Proposed Pharmacy Clotting Factor Reimbursement Methodology Changes

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

72-hour Emergency Supply Available for Pharmacy Prior Authorization Drugs

Checkwrite Schedule for April 2017

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Changes in Manufacturer 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 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 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 (the Act). As a result, they are not eligible for inclusion in the Medicaid Drug Rebate Program (MDRP). These products are considered a non-covered service for North Carolina Medicaid. The non-drug products that are ineligible for rebates are as follows:

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 National Drug Codes (NDC) with vaccine CPT codes by some private insurers. However, if a non-rebatable NDC, such as those for vaccines, is submitted on Medicaid or North Carolina Health Choice (NCHC) claims, NCTracks has denied the service in the past.

Rather than requiring Medicaid and NCHC providers to bill differently for Medicaid and NCHC than they do for private insurers, effective January 1, 2017, NCTracks has bypassed Edit 00996 - SUB NDC IS NON-REBATABLE. Providers can now add NDCs for vaccines onto Medicaid and NCHC claims for better uniformity among processing 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, 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 with a date of service of 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 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 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¢ per unit for HTC pharmacies and 2.5¢ 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 3 years.

The calculated average actual acquisition costs and 340B ceiling prices will serve as the basis for establishing the state maximum allowable cost reimbursement rates. There will be one rate listing for specialty pharmacies and one rate listing for HTC pharmacies. The state maximum allowable rate listings will incorporate an additional 5.5¢ per unit for specialty pharmacies and an additional 7.5¢ per unit for HTC 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
Baraclude	entecavir
Benzaclin	clindamycin/benzoyl Peroxide
Catapres-TTS	clonidine patches

2016-2017 NC Medicaid and Health Choice Preferred Drug List	
Preferred Brand	Non-Preferred Generic
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
Soritane	acitretin
Symbyax	olanzapine / fluoxetine
Tamiflu	Oseltamivir

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