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Claims Reprocessing Due to Pharmacy Reimbursement Methodology Changes

As outlined in the June 2016 and July 2016 Pharmacy newsletters (Medicaid website), the Pharmacy Reimbursement Methodology changes were implemented in NCTracks on July 31, 2016.

Pharmacy claims processed and paid in NCTracks from January 1 through July 30, 2016, will be reprocessed with the new NADAC reimbursement methodology.

Initially, a sample set of claims will be pulled and pended for analysis in advance of the claims reprocessing. These claims transactions will post to the Remittance Advice (RA) in the August 1, 2017, checkwrite but will not have financial activity.

Subsequently, the reprocessed pharmacy claims will be reflected in the checkwrites between August 15 and November 21, 2017. (There will be one additional checkwrite cycle after analysis of the reprocessed claims. A notice will be sent when the date of the final checkwrite cycle is determined).

The reprocessed claims will be reported in a separate section of the paper Remittance Advice (RA) with the unique Explanation of Benefits (EOB) code 06025 - CLAIM REPROCESSED TO PAY USING NADAC (NATIONAL AVERAGE DRUG ACQUISITION COST) PRICING METHODOLOGY. The EOB 06025 will only appear on the paper RA and will not appear on the X12 835. The 835 electronic transactions will include the reprocessed claims along with other claims submitted for the checkwrite. (There is no separate 835.)

Important Reprocessing Information: Reprocessing does not guarantee payment for the claims. Pharmacy claims will be reprocessed with the new reimbursement methodology. Also, while some edits may be bypassed as part of the claim reprocessing, changes made to the system since the claims were originally adjudicated may apply to the reprocessed claims. Therefore, the reprocessed claims could deny.

The claim reprocessing will likely result in a recoupment of funds. If there are not sufficient funds from claims paid in the August 15 through November 21, 2017, checkwrites to satisfy the recoupment, an Accounts Receivable (AR) will be created. Recoupment of the AR will begin with the subsequent NCTracks checkwrite and the recoupment process will continue at each checkwrite until the full amount due is recouped.

If funds are insufficient to collect the full amount due from the NPI for which the AR was generated, NCTracks will automatically seek to recoup the AR from other NPIs with the same Internal Revenue Service Taxpayer Identification Number. For more information about the AR process, see the NCTracks February 29, 2016, announcement.

Updated Prior Approval Criteria for Opioid Analgesics

Due to decades of prescribing more opioids, North Carolina is experiencing an opioid epidemic. From 1999 to 2016 more than 12,000 North Carolinians died from opioid-related overdoses. This epidemic is devastating families and communities. It is overwhelming healthcare providers and is straining prevention and treatment efforts.

On June 27, 2017 at the NC Opioid Misuse and Overdose Prevention Summit, NC Governor Roy Cooper and NC Department of Health and Human Services Secretary Mandy Cohen announced North Carolina's Opioid Action Plan, which outlines the key actions that we collectively believe will have the greatest impact on reducing opioid addiction and overdose death. The goal is to change the trajectory of opioid deaths and reduce opioid overdose deaths by 20% by 2021.

NC's Opioid Action Plan was developed with community partners to combat the opioid crisis. It is a living document that will be updated as we make progress on the epidemic and are faced with new issues and solutions. Strategies in the plan include:

- Coordinating the state's infrastructure to tackle the opioid crisis.
- Reducing the oversupply of prescription opioids.
- Reducing the diversion of prescription drugs and the flow of illicit drugs.
- Increasing community awareness and prevention.
- Making naloxone widely available.
- Expanding treatment and recovery systems of care.
- Measuring the effectiveness of these strategies based on results.

Over the past several months, the NC Division of Medical Assistance (DMA) Pharmacy Program has worked collaboratively with our Pharmacy and Therapeutics Committee and Physicians Advisory Group to update clinical coverage criteria for the use of opioids for pain management based on the Centers for Disease Control (CDC) Guideline for Prescribing Opioids for Chronic Pain and to align clinical coverage criteria with the strategies of reducing the oversupply of prescription opioids available for diversion and misuse.

These updates began on May 1, 2017, when the refill threshold for all opioids and benzodiazepines prescriptions was increased from 75% to 85%.

Then beginning **August 27, 2017**, prior approval will be required for opioid analgesic doses for N.C. Medicaid and N.C. Health Choice (NCHC) beneficiaries which:

- Exceed 120 mg of morphine equivalents per day
- Are greater than a 14-day supply of any opioid, or,
- Are non-preferred opioid products on the NC Medicaid Preferred Drug List (PDL)

The prescribing provider may submit prior authorization requests to NCTracks through the NCTracks portal or by fax. New opioid analgesic prior authorization forms and revised clinical coverage criteria will be available on the NCTracks website.

Beneficiaries with diagnosis of pain secondary to cancer will continue to be exempt from prior authorization requirements.

This change also includes a new feature for prescribers to view only lock-in drugs or opioid analgesics when performing medication history searches for beneficiaries. However, the data represents only opioid claims paid by NC Medicaid and should not be used as a replacement for reviewing the NC Controlled Substance Reporting System (CSRS) as required by clinical coverage criteria and the recently passed **Strengthen Opioid Misuse Prevention (STOP) Act, S.L. 2017-74.**

Pharmacy Reimbursement Methodology Changes

On July 21, 2017, the Centers for Medicare & Medicaid Services (CMS) notified the Division of Medical Assistance (DMA) that our State Plan Amendment (SPA TN# 17-0003) had been reviewed and was approved effective April 1, 2017. The purpose of the proposed changes is to align the State Plan with changes to CFR 447.512 and 447.518 enacted in the covered outpatient drugs final rule (CMS-2345-FC).

This SPA implements changes to the pharmacy reimbursement methodology for ingredient costs and the professional dispensing fees for clotting factor based on a survey of costs for Hemophilia Treatment Centers (HTCs) and non-HTCs. A state maximum allowable cost (SMAC) rate will be established based on actual acquisition costs for all clotting factor drugs to determine reimbursement of the ingredient cost and the professional dispensing fees for all clotting factor drugs will be $0.04 per unit for HTCs and $0.025 per unit for non-HTCs.

Moreover, the SPA specifies that drugs purchased through 340B covered entities, Federal Supply Schedule, nominal price, and specialty drugs will be reimbursed at their actual acquisition costs.

This reimbursement methodology IS NOT programmed in NCTracks at this time. Once programming is completed, pharmacy claims paid between April 1, 2017, and when the updated reimbursement methodology is implemented into NCTracks will be reprocessed according to the updated reimbursement methodology.

Until then, pharmacies will continue to be paid according to the current reimbursement methodology. Pharmacies are advised that this may result in an overpayment. Once the claims reprocessing is completed, any overpayment will be recouped against future payments.

Pharmacy Behavioral Health Clinical Edit Implements July 30, 2017

On May 1, 2017, new pharmacy point of sale (POS) clinical edits for behavioral health medications became effective for pediatric and adult beneficiaries prescribed such medications. These edits are specifically related to dosage and quantity prescribed which exceeds the Food and Drug Administration (FDA) approved maximum dosage, dosage schedule and in class therapeutic duplication.

A 90-day grace period was allowed to provide an opportunity for providers and pharmacists to identify and address any therapeutic issues that may be impacted by these new POS behavioral health clinical edits.

The 90-day grace period has been completed and DMA plans to implement only one of the POS behavioral health clinical edits for pediatrics and adults at this time. **The pediatric and adult edit for antipsychotic drug claims for quantities exceeding the dosages recommended by the FDA will deny beginning on July 30, 2017.**The message below will be returned to the pharmacist for all claims that deny for this edit:

"Qty exceeds the pediatric/adult dosage recommended by the FDA for atypical antipsychotics."

Bypassing this edit will require an override that should be used by the pharmacist when the prescriber provides clinical rationale for the therapy issue identified by the edit. The edit override is 10 entered in a submission clarification code field.

More detailed information about all of the POS behavioral health clinical edits for pediatrics and adults is available on the Pharmacy PA Criteria page in NCTracks found at https://www.nctracks.nc.gov/content/public/providers/pharmacy/pa-drugs-criteria-new-format.html.

Coverage for Spinraza™ (nusinersen injection, for intrathecal use)

Effective with date of service June 1, 2017, or later, the North Carolina Medicaid Pharmacy Program covers nusinersen injection, for intrathecal use (Spinraza™) through the Outpatient Pharmacy program after approval for use by Prior Authorization. Spinraza™ is not covered through the Physicians' Drug Program.

Spinraza™ coverage criteria and a temporary request form can be found on the NCtracks Pharmacy webpage.

FDA Requests Voluntary Removal of Opana ER for Risks Related to Abuse

Endo Pharmaceuticals has announced that it will voluntarily remove Opana ER (oxymorphone ER) from the market. This decision comes after FDA's request in June for Endo to remove reformulated Opana ER from the market.

Endo plans to work with the FDA to coordinate the orderly removal of Opana ER.

Endo news release: http://www.endo.com/news-events/press-releases?c=123046&p=irol-newsArticle&ID=2284981

Generic Dispensing Rate Adjustments

Generic dispensing rate adjustments go into effect on August 1, 2017. These rates are based on the Generic Dispensing Rate Report for second quarter 2017.

Claim Level Generic Dispensing Rate (GDR) Reports

DMA has developed a Generic Dispensing Rate (GDR) report at the claim level detail to help pharmacy providers identify missed opportunities to maximize their generic dispensing rate. A pharmacy provider may obtain their claim level GDR report by e-mailing Medicaid.GDR.Report@dhhs.nc.gov. The e-mail request must include the following information:

- Pharmacy name
- Pharmacy NPI number
- Name and contact info for the person requesting the report
- E-mail address where the report should be sent
- GDR report quarter(s) being requested

The claim level GDR report(s) will be sent in Excel format and via secured e-mail within five business days following receipt of the request.

Board of Pharmacy Issues Guidance to Pharmacists on Implementation of the Strengthen Opioid Misuse Prevention ("STOP") Act

The North Carolina General Assembly has passed, and the Governor has signed into law, the **Strengthen Opioid Misuse Prevention (STOP) Act, S.L. 2017-74**. The STOP Act is an effort to combat the opioid abuse and misuse epidemic. The STOP Act makes changes to the laws governing controlled substance prescribing, controlled substance dispensing, and the North Carolina Controlled Substance Reporting System

("CSRS"). This FAQ guidance discusses those changes: http://www.ncbop.org/PDF/GuidanceImplementationSTOPACTJuly2017.pdf.

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 beneficiaries 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 28, 2017	August 1, 2017
August 4, 2017	August 8, 2017
August 11, 2017	August 15, 2017
August 18, 2017	August 22, 2017
August 25, 2017	August 29, 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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