



An Information Service of the Division of Medical Assistance

**North Carolina
Medicaid Pharmacy
Newsletter**

Number 278

December 2017

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

800-688-6696

NADAC Rate Update Process

Pharmacy providers anticipate drug manufacturer price increases in January and July each year and N.C. Medicaid has received questions from pharmacy providers regarding the process used to update National Average Drug Acquisition Cost (NADAC) rates. After an initial NADAC rate has been determined using the results of the monthly pharmacy acquisition cost surveys, it is reviewed for updates on both a weekly and monthly schedule.

Updates for NADAC brand rates are based on manufacturer pricing changes (i.e. Wholesale Acquisition Cost (WAC)), NADAC Help Desk inquiries and monthly pharmacy acquisition cost surveys. Updates for NADAC generic rates are based on monthly pharmacy acquisition cost surveys and NADAC Help Desk inquiries.

Myers and Stauffer LC, the Centers for Medicare and Medicaid Services (CMS) contractor, receives weekly files from First Databank and implements any brand price changes on the next NADAC file. Changes in the brand NADAC rates due to WAC changes will receive the effective date of the WAC change. Therefore, these brand NADAC rates will appear backdated so long as the effective date of the WAC change does not cross the previous effective date. For example, a WAC update for brand drug A has an effective date of Jan. 3, 2018, and is received on the weekly FDB file on Jan. 5, 2018. Myers and Stauffer LC would apply the update to the rate for brand drug A to the NADAC file published by CMS on Jan. 10, 2018 and the NADAC effective date would be Jan. 3, 2018, not Jan. 10, 2018. Myers and Stauffer LC then collects January invoices beginning February 1 and would implement the rates reflective of January purchase prices in March unless they receive a help desk call or manufacturer price update that warrants an increase/decrease to the NADAC rate.

N.C. 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 N.C. Medicaid claim reimbursement questions or concerns. Myers and Stauffer LC operates the NADAC help desk. The operating hours for the help desk are Monday through Friday from 8 a.m. to 8 p.m. EST and contact information is included below.

Toll-free phone: [\(855\) 457-5264](tel:8554575264)

Electronic mail: survey@mslcrps.com

Facsimile: (844) 860-0236

A printable [NADAC Help Desk inquiry form](#) is available online. The necessary information required to complete a rate inquiry can be typed into the form online and submitted with your invoice by email or fax.

Prior Approval Criteria for Opioid Analgesics Updated to Comply with the STOP Act

Effective Jan. 2, 2018, the clinical coverage criteria for opioid analgesics will be updated to comply with the quantity limits mandated by the [Strengthen Opioid Misuse Prevention \(STOP\) Act, S.L. 2017-74](#). Prior approval will be required for short-acting opioids for greater than a five-day supply for acute pain and seven-day supply for post-operative acute pain. Prior approval will be required for long-acting opioids for greater than a seven-day supply. This is a change from current criteria which requires prior approvals for greater than a 14-day supply for long and short-acting opioid analgesics.

The prescribing provider may submit prior approval requests to NCTracks through the NCTracks portal or by fax. New opioid analgesic prior approval 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 approval requirements.

Pharmacy Claim Review Program

Pharmacists and their staff members have a responsibility to ensure 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

N.C. Medicaid has contracted with Myers and Stauffer, LC to review pharmacy claims and contact pharmacy providers by phone regarding claims potentially submitted with improper billing units. Providers will be asked to resubmit claims for the correct billing units and days’ supply if deemed to be billed incorrectly. It is important to discuss billing procedures with staff to determine whether staff members correctly submit claims for drugs commonly submitted with improper billing units. In addition, it may be helpful to provide staff members with job aids associated with common types of quantity and/or days’ supply miscalculations. The examples below are not comprehensive but suggest potential targets 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 December 4, 2017.

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.

No NCTracks Checkwrite on December 26

As stated in the published approved 2017 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 19. **There will be no checkwrite on December 26.** The first checkwrite for the new calendar year will be on Jan. 3, 2018.

The 2017 and 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.

Electronic Cutoff Schedule

Dec. 29, 2017
Jan. 5, 2018
Jan. 12, 2018
Jan. 19, 2018
Jan. 26, 2018

Checkwrite Schedule

Jan. 3, 2018
Jan. 9, 2018
Jan. 17, 2018
Jan. 23, 2018
Jan. 30, 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.

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