# WRITTEN SECTION REPORTS

**(REPORT PERIOD DECEMBER 9, 2017 THROUGH MARCH 16, 2018)**

## 1. Policies Presented to the N.C. Physician Advisory Group (PAG)

The N.C. Physician Advisory Group met on 01/25/18 and 02/22/18
The Pharmacy & Therapeutic Committee met on 01/09/18 and 03/13/18

**Recommended Pharmacy**

- Prior Approval Criteria Emflaza – 01/25/18
- Prior Approval Criteria Monoclonal Antibodies (Fasenra) -01/25/18
- Prior Approval Criteria Nucala – 01/25/18
- Prior Approval Criteria Lupus Medications (Benlysta)– 01/25/18
- Prior Approval Criteria Systemic Immunomodulators (Taltz)– 01/25/18
- PDL: Oral Pulmonary Hypertension – 01/25/18
- PDL: Respiratory - COPD Name change of the group to: Orally Inhaled Anticholinergics – 01/25/18
- PDL: Opioid Dependence (Add Sublocade) – 01/25/18
- PDL: Cardiovascular -ARBS (Angiotensin II Receptor Blockers) – 01/25/18

**PAG Notification**

- 2A-1, Acute Inpatient Hospital Services – 02/22/18

## 2. Policies posted for Public Comment

- 1F, Chiropractic Services – 12/08/17
- 5A-2, Respiratory Equipment and Supplies – 12/11/17
- 5B, Orthotics & Prosthetics – 12/11/17
- 3A, Home Health Services – 12/14/17
- 3D, Hospice Services – 12/22/17
- Preferred Drug List (PDL) Biguanides and Combinations – 02/02/18
- Preferred Drug List (PDL) Sublocade – 02/07/18
- Preferred Drug List (PDL) Respiratory Anticholinergics – 02/07/18
- Preferred Drug List (PDL) PAH – 02/07/18
- Preferred Drug List (PDL) ARBs – 02/07/18
- PA Criteria Nucala – 02/07/18
- PA Criteria Monoclonal Antibodies (Fasenra) – 02/07/18
- PA Criteria Lupus Medications (Benlysta)– – 02/07/18
- PA Criteria Systemic Immunomodulators (Reflexis) (Taltz) – 02/07/18
- PA Criteria Emflaza – 02/07/18
- PA Criteria Neuromuscular Blocking Agents (Dysport)– 02/07/18
- Preferred Drug List (PDL) Biguanides and Combinations (Glumetza)– 02/07/18
- PA Criteria Antinarcolepsy/Antihyperkinesis Agents (Add Armodafinil) – 02/09/18

## 3. New or Amended policies posted to Medicaid website

- 5A-1, Physical Rehabilitation Equipment and Supplies – 12/01/17
- 5A-2, Respiratory Equipment and Supplies – 12/01/17
- 5A-3, Nursing Equipment and Supplies – 12/01/17
- 10A, Outpatient Specialized Therapies – 12/15/17

- 1A-21, Endovascular Repair of Aortic Aneurysm – 12/29/17
- 1A-41, Office-Based Opioid Treatment: Use of Buprenorphine and Buprenorphine-Naloxone – 12/29/17
- 1H, Telemedicine and Telepsychiatry – 12/29/17
- 1L-2, Moderate (Conscious) Sedation, AKA Procedural Sedation and Analgesia (PSA) – 12/29/17
- 5B, Orthotics & Prosthetics – 01/25/18
- 1A-30, Spinal Surgeries – 02/01/2018
- 1D-4, Core Services Provided in Federally Qualified Health Centers and Rural Health Clinics – 02/01/18
- 1E-3, Sterilization Procedures – 02/01/2018
- 3D, Hospice Services – 02/01/2018
- 11B-4, Kidney (Renal) Transplantation – 02/01/18
- 1A-42, Balloon Ostial Dilation – 02/01/18
- 3B, PACE (Program of All-Inclusive Care for the Elderly) – 02/01/18
- 11C, Ventricular Assist Devices – 03/01/18
- 12B, Human Immunodeficiency Virus (HIV) Case Management – 03/01/18

## 4. Outpatient Pharmacy

### 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]

NC 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.

**Pharmacy Behavioral Health Clinical Edits**
Effective May 1, 2017, new pharmacy point of sale (POS) clinical edits for behavioral health medications were implemented for pediatric and adult beneficiaries. These changes were communicated in the April and June 2017 Pharmacy Newsletters and July 2017 Medicaid Bulletin.

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 phased implementation was planned for these POS behavioral health clinical edits:

- July 2017: The first two edits were implemented. These edits applied to the dosage and quantity of atypical antipsychotics prescribed for pediatric and adult beneficiaries.
- March 12, 2018: Edits will be implemented which apply to the therapeutic duplication of atypical antipsychotics in pediatric and adult beneficiaries.
- May 14, 2018: Remaining edits will be implemented. These edits will apply to dosage and quantity prescribed and therapeutic duplication of Attention Deficit Disorder/Attention Deficit Hyperactivity Disorder (ADD/ADHD) drugs, anxiolytics and antidepressants prescribed to pediatric and adult beneficiaries.

Bypassing any of the POS behavioral health clinical edits requires 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.

The bulleted description for the pediatric and adult behavioral health edits follow.

**Phase One Implemented July 30, 2017**
Edit 4110 Adult; Edit 7110 Pediatric
- Quantities more than the daily dosages recommended by the FDA for the atypical antipsychotics
  Pharmacy POS message "Quantity exceeds the adult (pediatric) dosage recommended by the FDA for atypical antipsychotics."

**Phase Two Implementation March 12, 2018**
Edit 58610 Adult; Edit 58650 Pediatric

- Concomitant use of three or more atypical antipsychotics (concomitant use is 60 or more days of overlapping therapy.)
  Pharmacy POS message "Concomitant use of three or more atypical antipsychotics will be denied."

**Phase Three Implementation May 14, 2018**
Edit 4125 Adult; Edit 7125 Pediatric

- Quantities more than the daily dosages recommended by the FDA for the antidepressants
  Pharmacy POS message "Quantity exceeds the adult (pediatric) dosage recommended by the FDA for antidepressants."

Edit 4140 Adult; Edit 7140 Pediatric

- Quantities more than the daily dosages recommended by the FDA for ADD/ADHD medications
  Pharmacy POS message "Quantity exceeds the adult (pediatric) dosage recommended by the FDA for ADD/ADHD medications."

Edit 4610 Adult; Edit 7610 Pediatric

- Quantities more than the daily dosages recommended by the FDA for the behavioral health medications (does not include antidepressants, atypical antipsychotics, stimulants and ADD/ADHD medications)
  Pharmacy POS message "Quantity exceeds the adult (pediatric) dosage recommended by the FDA for behavioral health meds."

**Note**: For the following edits, concomitant use is 60 or more days of overlapping therapy.

Edit 58620 Adult; Edit 58660 Pediatric

- Concomitant use of two or more antidepressants (Selective serotonin reuptake inhibitor -SSRIs includes combination products)
  Pharmacy POS message "Concomitant use of two or more antidepressants will be denied."

Edit 58630 Adult; Edit 58670 Pediatric

- Concomitant use of two or more antidepressants (Serotonin–norepinephrine reuptake inhibitor - SNRIs)
  Pharmacy POS message "Concomitant use of two or more antidepressants will be denied."

Edit 58640 Adult; Edit 58680 Pediatric

- Concomitant use of two or more anxiolytics
  Pharmacy POS message "Concomitant use of two or more anxiolytics will be denied."

The edits, with appendices of the drugs included in the edit, are posted on the NCTracks Prior Approval Drugs and Criteria web page.

**Pharmacists Will Now be Able to Obtain Multi-State Information about Their Patients' Controlled Substances Prescriptions**

The North Carolina Controlled Substance Reporting System (CSRS) has joined the National Association of Boards of Pharmacy's data sharing network, PMP InterConnect. This network allows providers who prescribe or dispense controlled substances to obtain multi-state information about their patients' opioid prescriptions. This 42-state prescription monitoring network processes prescription data for millions of patient encounters each year.

To access the new data, providers can select the "Multiple State Query" link on the left side of the Query page within the Controlled Substances Reporting System. The available states will appear in the "Disclosing States" field. North Carolina providers can now access data from Virginia, South Carolina, and Arkansas. Additional states are in the process of enabling two-way communication with North Carolina.

Providers can access the CSRS at https://nccsrsph.hidinc.com/nclogappl/bdncpdmqlog/pmqhome.html.

## 2017-2018 NC Medicaid and Health Choice Preferred Drug List

### Preferred Brands with Non-Preferred Generic Alternatives

Current as of Feb. 1, 2018

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Actiq Lozenge | fentanyl citrate lozenge |
| Adderall XR | amphetamine Salt Combo ER |
| Aggrenox | aspirin-dipyridamole ER |
| Alphagan P | brimonidine P |
| Androgel | testosterone |
| Avelox | moxifloxacin |
| Bactroban Cream | mupirocin Cream |
| Benzaclin | clindamycin/benzoyl Peroxide |
| Butrans | buprenorphine |
| Catapres-TTS | clonidine patches |
| Cipro Suspension | ciprofloxacin suspension |
| Concerta | methylphenidate ER |
| Copaxone | glatiramer |
| Derma-Smoothe FS | fluocinolone 0.01% oil |
| Differin | adapalene |
| Diovan | valsartan |
| Diastat Accudial/Pedi System | diazepam rectal/system |
| Effient | prasugrel |
| Emend | aprepitant |
| Evista | raloxifene |
| Exelon Patch | rivastigmine patch |
| Exforge | amlodipine / valsartan |
| Exforge-HCT | amlodipine / valsartan / HCT |
| Focalin / Focalin XR | dexmethylphenidate |

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Gabitril 2mg and 4mg | tiagabine |
| Glyset | miglitol |
| Hepsera 10 mg | adefovir |
| Invega ER | paliperidone ER |
| Kapvay | clonidine ER |
| Kitabis Pak | tobramycin |
| Lovenox | enoxaparin |
| MetroCream | metronidazole cream |
| MetroLotion | metronidazole lotion |
| Metrogel Topical | metronidazole gel topical |
| Methylin Solution | methylphenidate solution |
| Namenda Solution | memantine solution |
| Natroba | spinosad |
| Nexium RX | esomeprazole |
| Nuvigil | armodafinil |
| Orapred ODT | prednisolone ODT |
| Oxycontin | cxycodone ER |
| Patanase | olopatadine |
| Provigil | modafinil |
| Pulmicort respules | budesonide respules |
| Renvela powder pkt | sevelamer powder pkt |
| Retin-A Cream/Gel | tretinoin cream/gel |
| Rythmol SR | propafenone SR |
| Suprax Susp | cefixime Susp |
| Symbyax | olanzepine / fluoxetine |
| Tamiflu | oseltamivir |
| Tegretol Tab/ Susp /XR | carbamazepine Tab/ Susp / XR |
| TobraDex Drops | tobramycin / dexamethasone drops |
| Transderm-Scop | scopolamine |
| Vagifem | estrodiol |
| Vigamox | moxifloxacin |
| Viread | tenofovir |
| Vivelle-Dot Patch | estradiol patch |
| Voltaren Gel | diclofenac gel |
| Zetia | ezetimibe |

**New BIN Numbers for Free Glucose Meter**

Effective immediately, there is new BIN information for pharmacies and Durable Medical Equipment (DME) providers to use when processing a claim for a free Accu-Chek blood glucose meter for North Carolina Medicaid and NC Health Choice beneficiaries. One free meter per beneficiary is covered every two years. The following is the new information to use:

BIN: 610524
RxPCN: 1016
Issuer: 80840
Group: 40026479
ID: 969608932

## Upcoming Changes to the Roche Rebate program for preferred Roche Diabetic Supplies

Beginning **April 1, 2018**, diabetic testing supplies will be transitioned to the North Carolina Medicaid and NC Health Choice Preferred Drug List (PDL) and Roche diabetic testing supplies will remain preferred. Pharmacy point-of-sale providers will no longer receive two separate payments for claims for Roche diabetic testing supplies. Instead, providers will receive one payment based on a State Maximum Allowable Cost (SMAC).

The following chart outlines the Roche diabetic testing supplies with their corresponding NDC number that will be preferred and their specific reimbursement amount and point-of-sale quantity limit:

| Product | NDC Number | NC Medicaid SMAC Rate | Point of Sale Limit |
|---|---|---|---|
| ACCU-CHEK® AVIVA PLUS 50 ct Test Strips | 65702-0407-10 | $79.63/50 strips | 200/month |
| ACCU-CHEK® SMARTVIEW 50 ct Test Strips | 65702-0492-10 | $79.63/50 strips | 200/month |
| ACCU-CHEK® COMPACT 51 ct Test Strips | 50924-0988-50 | $81.67/51 strips | 204/month |
| ACCU-CHEK® GUIDE 50 ct Test Strips | 65702-0711-10 | $21.56/50 strips | 200/month |
| ACCU-CHEK® SOFTCLIX Lancing Device Kit (Black) | 65702-0400-10 | $22.63/each | 2/year |
| ACCU-CHEK® FASTCLIX Lancing Device Kit | 65702-0481-10 | $17.55/each | 2/year |
| ACCU-CHEK® MULTICLIX 102 ct Lancets | 50924-0450-01 | $15.68/102 lancets | 204/month |
| ACCU-CHEK® SOFTCLIX 100 ct Lancets | 50924-0971-10 | $13.93/100 lancets | 200/month |
| ACCU-CHEK® FASTCLIX 102 ct Lancets | 65702-0288-10 | $13.68/102 lancets | 204/month |
| ACCU-CHEK® AVIVA Glucose Control Solution (2 levels) | 65702-0107-10 | $11.13/bottle | 4/year |
| ACCU-CHEK® COMPACT PLUS CLEAR Glucose Control Solution (2 levels) | 65702-0468-10 | $11.13/bottle | 4/year |
| ACCU-CHEK® GUIDE Glucose Control Solution (2 levels) | 65702-0713-10 | $11.13/bottle | 4/year |
| ACCU-CHEK® SMARTVIEW Glucose Control Solution (2 levels) | 65702-0488-10 | $11.13/bottle | 4/year |

## Buprenorphine extended-release injection, for subcutaneous use (Sublocade™)

Effective with date of service March 1, 2018, North Carolina Medicaid and NC Health Choice (NCHC) programs cover buprenorphine extended-release injection (Sublocade), for subcutaneous use. Sublocade can be billed through outpatient pharmacy point-of-sale or through the Physician's Drug Program (PDP) when billed with HCPCS code J3490 - Unclassified drugs. Sublocade is a preferred option in the Opioid Dependence Drug Class on the North Carolina Medicaid and NC Health Choice Preferred Drug List (PDL) and no prior approval is needed.

Sublocade is available as an injection of 100 mg/0.5 mL and 300 mg/1.5 mL provided in a prefilled syringe. It is indicated for the treatment of moderate to severe opioid use disorder in adult patients who have initiated treatment with a transmucosal buprenorphine-containing product, followed by dose adjustment for a minimum of seven days.

The recommended dose for Sublocade is two once monthly initial doses of 300 mg followed by 100 mg once monthly maintenance doses. Increasing the maintenance dose to 300 mg once monthly may be considered for patients in which the benefits outweigh the risks. See full prescribing information for further detail.

Under the Drug Addiction Treatment Act (DATA), use of Sublocade in the treatment of opioid dependence is limited to healthcare providers who meet Drug Enforcement Administration (DEA) waiver requirements and who have notified the Secretary of Health and Human Services of their intent to prescribe this product for the treatment of opioid dependence.

To mitigate the risk of serious harm or death that could result from intravenous self-administration of Sublocade, healthcare facilities are required to register for the FDA approved Sublocade Risk Evaluation and Mitigation Strategy (REMS) program. In addition, waivered providers who choose to utilize Sublocade must meet the NC controlled substances regulations and C-3 handling and storage requirements .

**For Medicaid and NCHC Billing in the Physicians' Drug Program:**

- The ICD-10-CM diagnosis code required for billing is/are:
    - F11.10 - Opioid abuse, uncomplicated;
    - F11.11 - Opioid abuse, in remission;
    - F11.120 - Opioid abuse with intoxication, uncomplicated;
    - F11.121 - Opioid abuse with intoxication delirium;
    - F11.122 - Opioid abuse with intoxication with perceptual disturbance;
    - F11.129 - Opioid abuse with intoxication, unspecified;
    - F11.14 - Opioid abuse with opioid-induced mood disorder;
    - F11.150 - Opioid abuse with opioid-induced psychotic disorder with delusions;
    - F11.151 - Opioid abuse with opioid-induced psychotic disorder with hallucinations;
    - F11.159 - Opioid abuse with opioid-induced psychotic disorder, unspecified;
    - F11.181 - Opioid abuse with opioid-induced sexual dysfunction;
    - F11.182 - Opioid abuse with opioid-induced sleep disorder;
    - F11.188 - Opioid abuse with other opioid-induced disorder;
    - F11.19 - Opioid abuse with unspecified opioid-induced disorder;
    - F11.20 - Opioid dependence, uncomplicated;
    - F11.21 - Opioid dependence, in remission;
    - F11.220 - Opioid dependence with intoxication, uncomplicated;
    - F11.221 - Opioid dependence with intoxication delirium;
    - F11.222 - Opioid dependence with intoxication with perceptual disturbance;
    - F11.229 - Opioid dependence with intoxication, unspecified;
    - F11.23 - Opioid dependence with withdrawal;
    - F11.24 - Opioid dependence with opioid-induced mood disorder;
    - F11.250 - Opioid dependence with opioid-induced psychotic disorder with delusions;
    - F11.251 - Opioid dependence with opioid-induced psychotic disorder with hallucinations;
    - F11.259 - Opioid dependence with opioid-induced psychotic disorder, unspecified;
    - F11.281 - Opioid dependence with opioid-induced sexual dysfunction;
    - F11.282 - Opioid dependence with opioid-induced sleep disorder;
    - F11.288 - Opioid dependence with other opioid-induced disorder;
    - F11.29 - Opioid dependence with unspecified opioid-induced disorder;
    - F11.90 - Opioid use, unspecified, uncomplicated;
    - F11.920 - Opioid use, unspecified with intoxication, uncomplicated;
    - F11.921 - Opioid use, unspecified with intoxication delirium;

- F11.922 - Opioid use, unspecified with intoxication with perceptual disturbance;
- F11.929 - Opioid use, unspecified with intoxication, unspecified;
- F11.93 - Opioid use, unspecified with withdrawal;
- F11.94 - Opioid use, unspecified with opioid-induced mood disorder;
- F11.950 - Opioid use, unspecified with opioid-induced psychotic disorder with delusions;
- F11.951 - Opioid use, unspecified with opioid-induced psychotic disorder with hallucinations;
- F11.959 - Opioid use, unspecified with opioid-induced psychotic disorder, unspecified;
- F11.981 - Opioid use, unspecified with opioid-induced sexual dysfunction;
- F11.982 - Opioid use, unspecified with opioid-induced sleep disorder;
- F11.988 - Opioid use, unspecified with other opioid-induced disorder;
- F11.99 - Opioid use, unspecified with unspecified opioid-induced disorder

- Providers must bill with HCPCS code J3490 - Unclassified drugs.
- One Medicaid and NCHC unit of coverage is one syringe. NCHC bills according to Medicaid units.
- The maximum reimbursement rate per unit is $1706.40.
- Providers must bill 11-digit National Drug Codes (NDCs) and appropriate NDC units. The NDCs are 12496-0100-01 and 12496-0300-01.
- The NDC units should be reported as "UN1."
- For additional information, refer to the January 2012, Special Bulletin, *National Drug Code Implementation Update*.
- For additional information regarding NDC claim requirements related to the PDP, refer to the PDP Clinical Coverage Policy No. 1B, Attachment A, H.7 on DMA's website.
- Providers shall bill their usual and customary charge for non-340-B drugs.
- PDP reimburses for drugs billed for Medicaid and NCHC beneficiaries by 340-B participating providers who have registered with the Office of Pharmacy Affairs (OPA). Providers billing for 340B drugs shall bill the cost that is reflective of their acquisition cost. Providers shall indicate that a drug was purchased under a 340-B purchasing agreement by appending the "UD" modifier on the drug detail.
- The fee schedule for the Physician's Drug Program is available on Medicaid's PDP web page.

**2017-2018 NC Medicaid and Health Choice Preferred Drug List**
**Preferred Brands with Non-Preferred Generic Alternatives**
Current as of March 1, 2018

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Actiq Lozenge | fentanyl citrate lozenge |
| Adderall XR | amphetamine Salt Combo ER |
| Aggrenox | aspirin-dipyridamole ER |
| Alphagan P | brimonidine P |
| Androgel | testosterone |
| Avelox | moxifloxacin |
| Bactroban Cream | mupirocin Cream |
| Benzaclin | clindamycin/benzoyl Peroxide |
| Butrans | buprenorphine |
| Catapres-TTS | clonidine patches |
| Cipro Suspension | ciprofloxacin suspension |
| Concerta | methylphenidate ER |
| Copaxone | glatiramer |

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Derma-Smoothe FS | fluocinolone 0.01% oil |
| Differin | adapalene |
| Diovan | valsartan |
| Diastat Accudial/Pedi System | diazepam rectal/system |
| Effient | prasugrel |
| Emend | aprepitant |
| Evista | raloxifene |
| Exelon Patch | rivastigmine patch |
| Exforge | amlodipine / valsartan |
| Exforge-HCT | amlodipine / valsartan / HCT |
| Focalin / Focalin XR | dexmethylphenidate |
| Gabitril 2mg and 4mg | tiagabine |
| Glyset | miglitol |
| Hepsera 10 mg | adefovir |
| Invega ER | paliperidone ER |
| Kapvay | clonidine ER |
| Kitabis Pak | tobramycin |
| Lovenox | enoxaparin |
| MetroCream | metronidazole cream |
| MetroLotion | metronidazole lotion |
| Metrogel Topical | metronidazole gel topical |
| Methylin Solution | methylphenidate solution |
| Namenda Solution | memantine solution |
| Natroba | spinosad |
| Nexium RX | esomeprazole |
| Nuvigil | armodafinil |
| Orapred ODT | prednisolone ODT |
| Oxycontin | oxycodone ER |
| Patanase | olopatadine |
| Provigil | modafinil |
| Pulmicort respules | budesonide respules |
| Renvela powder pkt | sevelamer powder pkt |
| Retin-A Cream/Gel | tretinoin cream/gel |
| Rythmol SR | propafenone SR |
| Suprax Susp | cefixime Susp |
| Symbyax | olanzepine / fluoxetine |
| Tamiflu | oseltamivir |
| Tegretol Tab/ Susp /XR | carbamazepine Tab/ Susp / XR |
| TobraDex Drops | tobramycin / dexamethasone drops |
| Transderm-Scop | scopolamine |

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Vagifem | estrodiol |
| Vigamox | moxifloxacin |
| Viread | tenofovir |
| Vivelle-Dot Patch | estradiol patch |
| Voltaren Gel | diclofenac gel |
| Zetia | ezetimibe |

## North Carolina Medicaid and NC Health Choice Preferred Drug List Changes

Effective **April 1, 2018,** the N.C. Division of Medical Assistance (DMA) will make the following changes to the North Carolina Medicaid and NC Health Choice Preferred Drug List (PDL):

**Analgesics**

Opioids

Long-Acting

- Kadian moved to preferred
- Morphine sulfate ER (generic for Kadian) remains non-preferred

**Anticonvulsants**

Second Generation

- Sabril Powder Pack moved to preferred
- vigabatrin (generic for Sabril) powder pack moved to non-preferred

**Anti-infectives**

Systemic Antivirals

Herpes Treatment

- Zovirax Ointment moved to preferred

Hepatitis B

- Epivir HBV remains preferred
- lamivudine HBV (generic for Epivir) moved to non-preferred

Antibiotics

Quinolones

- Avelox moved to non-preferred.
- moxifloxacin (generic for Avelox) moved to preferred

**Behavioral Health**

Antidepressants

Other

- Desvenlafaxine ER (generic for Pristiq) moved to preferred
- Pristiq remains non-preferred

Antipsychotics

Atypical oral

- Invega moved to non-preferred
- Paliperidone (generic for Invega) moved to preferred
- FazaClo moved to preferred
- Clozapine ODT (generic for FazaClo) moved to non-preferred

**Cardiovascular**

Platelet Inhibitors

- Effient moved to non-preferred
- prasugrel (generic for Effient Tablet) moved to preferred

**Hematologic**

Anticoagulant

Injectable

- Lovenox Syringe/Vial moved to non-preferred
- enoxaparin (generic for Lovenox) syringe/vial moved to preferred

**Gastrointestinal**

Ulcerative Colitis

- Lialda moved to preferred
- mesalamine (generic for Lialda) moved to non-preferred

**Ophthalmic**

Allergic Conjunctivitis

- Pataday ophthalmic drops moved to preferred
- olopatadine (generic for Pataday) ophthalmic drops moved to non-preferred

**Respiratory**

Intranasal Rhinitis Agents

- Astepro nasal spray moved to preferred
- azelastine (generic for Astepro) nasal spray moved to non-preferred

**Topical**

Acne Agents

- Epiduo gel moved to preferred
- Benzaclin gel moved to non-preferred
- Clindamycin-benzoyl peroxide (generic for Benzaclin) gel moved to preferred

Psoriasis

- Dovonex cream moved to preferred
- calcipotriene (generic for Dovonex) cream moved to non-preferred

Steroids

Very High Potency

- Clobex shampoo moved to preferred
- clobetasol (generic for Clobex) shampoo moved to non-preferred

Low Potency

- Derma-Smoothe FS Scalp and Body Oil moved to non-preferred
- fluocinolone (generic for Derma-Smoothe FS Scalp/Body Oil) body/scalp oil moved to preferred

Miscellaneous Topicals

- Vivelle-Dot moved to non-preferred
- Estradiol (generic for Vivelle-Dot) patch moved to preferred

**2017-2018 NC Medicaid and Health Choice Preferred Drug List**
**Preferred Brands with Non-Preferred Generic Alternatives**

Current as of April 1, 2018

Highlighted are preferred brands added as of April 1, 2018

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Actiq Lozenge | fentanyl citrate lozenge |
| Adderall XR | amphetamine Salt Combo ER |
| Aggrenox | aspirin-dipyridamole ER |
| Alphagan P | brimonidine P |
| Androgel | testosterone |
| Astepro nasal spray | azelastine nasal spray |
| Butrans | buprenorphine |
| Catapres-TTS | clonidine patches |
| Cipro Suspension | ciprofloxacin suspension |
| Clobex Shampoo | clobetasol shampoo |
| Concerta | methylphenidate ER |
| Copaxone | glatiramer |
| Differin | adapalene |
| Diovan | valsartan |
| Diastat Accudial/Pedi System | diazepam rectal/system |
| Dovonex cream | calcipotriene cream |
| Emend | aprepitant |
| Epiduo gel | adapalene/benzoyl peroxide |
| Epivir HBV | lamivudine HBV |
| Evista | raloxifene |
| Exelon Patch | rivastigmine patch |
| Exforge | amlodipine / valsartan |
| Exforge-HCT | amlodipine / valsartan / HCT |
| Fazaclo ODT | clozapine ODT |
| Focalin / Focalin XR | dexmethylphenidate |
| Gabitril 2mg and 4mg | tiagabine |
| Glyset | miglitol |
| Hepsera 10 mg | adefovir |
| Istadol drops | adefovir drops |
| Kadian ER | morphine sulfate er |
| Kapvay | clonidine ER |
| Kitabis Pak | tobramycin |
| Lialda | mesalamine |
| Methylin Solution | methylphenidate solution |
| MetroCream | metronidazole cream |
| MetroLotion | metronidazole lotion |
| Metrogel Topical gel/pump | metronidazole gel topical |
| Methylin Solution | methylphenidate solution |
| Namenda Solution | memantine solution |

| Preferred Brand | Non-Preferred Generic |
|---|---|
| Natroba | spinosad |
| Nexium RX | esomeprazole |
| Nuvigil | armodafinil |
| Orapred ODT | prednisolone ODT |
| Oxycontin | oxycodone ER |
| Pataday | olopatadine |
| Patanase | olopatadine |
| Provigil | modafinil |
| Pulmicort respules | budesonide respules |
| Renvela powder pkt | sevelamer powder pkt |
| Retin-A Cream/Gel | tretinoin cream/gel |
| Rythmol SR | propafenone SR |
| Sabril Powder Pack | vigabatin powder pack |
| Suprax Susp | cefixime Susp |
| Symbyax | olanzepine / fluoxetine |
| Tamiflu | oseltamivir |
| Tegretol Tab/ Susp /XR | carbamazepine Tab/ Susp / XR |
| TobraDex Drops | tobramycin / dexamethasone drops |
| Transderm-Scop | scopolamine |
| Vagifem | estrodiol |
| Vigamox | moxifloxacin |
| Viread | tenofovir |
| Voltaren Gel | diclofenac gel |
| Zetia | ezetimibe |
| Zovirax ointment | acyclovir ointment |

**5. Durable Medical Equipment and Supplies, and Orthotics & Prosthetics (DMEPOS)**

1. Clinical Coverage Policies 5A-1, 5A-2, 5A-3 were updated to clarify compliance with the CMS Home Health Final Rule – 42 CFR, Part 440.70. Language referencing how medical necessity reviews for items not listed in policy or the corresponding fee schedule could be requested for adult beneficiaries was added in multiple locations throughout the policies. A step-by-step procedure was added as a new attachment. These policy updates became effective Dec. 1, 2017.

2. Clinical Coverage Policy 5B was updated to clarify compliance with the CMS Home Health Final Rule – 42 CFR, Part 440.70 as described above, and to comply with Federal Regulation 42 CFR Part 455.410 Attending, Rendering, Ordering, Prescribing or Referring Providers. This policy update became effective Jan. 15, 2018.

3. Clinical Coverage Policy 5A-2 Respiratory Equipment and Supplies was updated to add clinical criteria for coverage of home ventilators with a non-invasive interface (HCPCS code E0466). The non-invasive home ventilator is considered a frequently serviced item so will be provided as a continuous rental. It will require prior authorization in the same manner as a home ventilator with an invasive interface. NCTracks system updates are scheduled to be completed in March, at which time this policy will be posted with an effective date of Feb. 1, 2018.

## 6. Home Care and Outpatient Specialized Therapies

**New or Amended policies posted to DMA website**

- 3D, Hospice Service – 2/1/18
- 3A, Home Health Service – effective date 3/1/18

**Outpatient Specialized Therapies**

- **10-C, Outpatient Specialized Therapies** was a PAG revision not yet implemented:
    - The policy was revised to more closely align to CCP 10A and CCP 10B.
        - The policy was approved by the Physician Advisory Group (PAG) at the July 27th meeting and was posted for 45-day public comment. The policy will be implemented the beginning of SFY 2019.

**Home Care Services**

**Home Health Services**

DMA revised the PDN Clinical Coverage Policies 3A:
To ensure compliance with the CMS-Mandated Home Health Final Rule of 2016. The policy changes serve to align NC DMA with the *Face-to-Face Requirements for Home Health Services; Policy Changes and Clarification Related to Home Health*; 42CFR 440.70 - Effective Date: July 1, 2016; Implementation Date: July 1, 2017.

**Hospice**

DMA revised the PDN Clinical Coverage Policies 3D to:
To implement the CMS-Mandated Hospice Payment Reform. The reform consists of service intensity add-on (SIA) payments for Hospice social worker (SW) and registered nurse (RN) visits provided during the last 7 days of life when provided during routine home care. Payment reform also includes the implementation of two routine home care rates, paying a higher rate in the first 60 days of a Hospice election and a lower rate for days 61 and later, based on paid claims history. This two-tiered rate calculation is effective for dates of service on and after January 1, 2016. This was first announced in the January 2016 Medicaid Special Bulletin.

Among the changes associated with Hospice Payment Reform and directly related to the SIA payment, is the discontinuation of bill status code 20 to denote the death of a Hospice patient. In keeping with Medicare guidelines, Hospice claims must bill using a Hospice specific patient status code when the patient has expired. Effective October 29, 2017, valid discharge codes denoting death of the patient for Hospice claims are:

40 - Expired at home; 41 - Expired at medical facility; and 42 - Expired place unknown
Important to note, the 7-day service intensity add-on must be billed on the same claim that is denoting the patient expiration status code.

Payment Reform activities were implemented in NCTracks on October 29, 2017. These changes are specific to Medicaid primary claims. Hospice claims paid with a date of service on or after January 1, 2016, and processed before October 29, 2017, will be reprocessed at a later date.

## 7. Long Term Services and Supports

**Community Alternatives Program for Disabled (CAP/DA)**

The Division of Medical Assistance continues to engage with stakeholders to renew the expiring § 1915 (c) Home and Community-Based Services Waiver for the Community Alternatives Program for Disabled Adults (CAP/DA). This waiver is scheduled to expire on Sept. 30, 2018. A draft of the proposed new waiver will be posted for public comments prior to June 2018.

Stakeholder engagement activities for renewing the CAP/DA waiver includes the following:

A. Statewide listening sessions – an opportunity for stakeholders to voice their opinions, make recommendations, and ask questions about the administration of the CAP/DA waiver.
    1. Statewide listening sessions were held in October and November 2017 with a total of 228 attendees.
    2. Statewide listening sessions will be held in March and April 2018 that will include small work groups convening to discuss and provide recommendations on specific waiver topics.
B. Work groups – an opportunity for stakeholders to engage in a focused dialogue about business processes of the CAP/DA waiver, to make recommendations for best practices, and to identify innovative strategies to meet the needs of CAP/DA waiver participants.
    1. External work groups were formed to discuss waiver topics including eligibility, services, and care coordination. These work groups began meeting in Dec. 2017 and will conclude engagement by Mar. 2, 2018.
    2. Internal work groups were formed to discuss waiver topics including post Medicaid eligibility for Medicaid enrollment, transition coordination, and critical incident management. These groups began meeting in January 2018 and will conclude engagement in April 2018.
    3. An advisory work group was formed to review recommendations from the external and internal work groups to make informed recommendations for waiver practices to DMA for inclusion in the waiver application.
C. Public comments – an opportunity for stakeholders to review the proposed waiver and provide comments to DMA.

The CAP/DA waiver is currently supporting 10,720 individuals to live safely in their home communities, of which 2,122 are directing their own care using the consumer-direction model of care, and 295 are assigned an Alzheimer's priority slot, a targeted group appropriated through Session Law 2016-94, Section 12H.5. There are 1,845 individuals waiting for services on a county based waitlist.

**Community Alternatives Program for Children (CAP/C)**

CAP/C is currently supporting 2,294 individuals to live in their home communities; of that total, 314 individuals are participating in the consumer-directed model of care.

**Human Immunodeficiency Virus (HIV) Case Management**

Updated clinical coverage policy 12B, Human Immunodeficiency Virus (HIV) Case Management effective date is March 1st, 2018. CMS approved SPA on February 5th, 2018. Changes to provider requirements reflect feedback received during stakeholder engagement, research of other state's administration of HIV Case Management Services, as well as a review of clinical policy's ability to effectively monitor and provider oversight of program requirements.

## 8. Behavioral Health IDD Section

**Treatment for Autism Spectrum Disorder:**

The State Plan Amendment (SPA) has approved by CMS. We are currently draft the policy for submission to PAG.

**TBI Waiver:**

CMS is currently reviewing the (b) waiver changes adding the TBI (c) waiver. The waiver will be posted as soon as it is approved.

**Innovations Waiver:**

DMA in the process of completing the 1915 (c) NC Innovations waiver renewal. A draft waiver will be posted to the DMA website for public comment in April 2017.

**Behavioral Health Clinical Policy Updates:**

**Services for Substance Use Disorders:**
DMA completed listening sessions across North Carolina and gathered substantial feedback from stakeholders. This provided DMA with invaluable information pertaining to stakeholder perceptions of and recommendations for the substance use disorder service array. DMA utilizes the SUD service array from ASAM. The service array was found to be comprehensive, including Medicaid services as well as state-funded services provided through DMH. DMA has identified several services that are not Medicaid services and is working with CMS on adding those services to the 1115 waiver as well as to as to our current state plan. DMA will require providers to utilize the ASAM Criteria in assessing level of care for SUD services. In addition, DMA and DMH are planning updates to most substance use disorder policies. The first two of these policies for revision are Substance Abuse Intensive Outpatient Program (SAIOP) and Substance Abuse Comprehensive Outpatient Treatment (SACOT).

**Critical Access Behavioral Health Agencies** (**CABHA)**
The special provision submitted to the legislature to remove CABHA from statute was not acted upon and it is unknown when this will occur. Thus, CABHA remains in statute, the state plan, and policy until further notice.

**Psychosocial Rehabilitation (PSR)**
DMA held listening sessions across the state for PSR and received excellent feedback from MCOs as well as PSR providers. DMA researched evidence-based models of this service and found that the evidence is for Psychiatric Rehabilitation (PR) services. Based on feedback from stakeholders and, in collaboration with the MCOs, DMA has revised the current PSR policy so that it aligns more closely to the evidence-based practice of Psychiatric Rehabilitation. This policy has been reviewed by DMH and is scheduled to be reviewed by the Physicians Advisory Group prior to being shared with stakeholders via public comment.

**Mobile Crisis Management (MCM)**
DMA gathered feedback from providers of MCM as well as MCOs to understand stakeholder perceptions of this service and to solicit their recommendations for revising the service. This resulted in DMA receiving feedback from stakeholders with detailed recommendations for modifying the service. DMA and DMH participated in a two-day training on children and adolescent mobile crisis and outreach services and this resulted in a pilot program that is in the process of being implemented in North Carolina. This training also provided conceptual and practical feedback applicable to services for adults. DMA has revised the current MCM service considering the feedback from stakeholders as well as the research on best practices for MCM. This policy has been reviewed by DMH and is scheduled to be reviewed by the Physicians Advisory prior to being shared with stakeholders via public comment.

**Community Support Team (CST)**
DMA has completed the initial draft of CST, which emphasizes therapeutic interventions and permanent supportive housing. Service rate from Provider Reimbursement has been reviewed and determined. DMA is currently working with DMH/DD/SAS on reviewing and finalizing the policy. Once review with DMH/DD/SAS is complete, DMA will arrange stakeholder engagement sessions, prepare for PAG and complete required amendment to State Plan.

**Peer Support Specialist (PSS)**
DMA is working with DMH/DD/SAS to develop the service definition and state plan amendment for PSS. DMA is actively collaborating with DMH/DD/SAS to gather information on PSS, which includes learning how other states have implemented PSS within the Medicaid system, service rate determination, service exclusion, sustainable workforce development and supervision models. Once research has been completed, DMA and DMH/DD/SAS complete a draft policy and arrange stakeholder engagement sessions.

**LME-MCO Contract Section Updates:**

**External Quality Review**
DMA completed the 2016/2017 External Quality Reviews (EQR) for all LME-MCOs. EQRs focus on quality, timeliness, and access to the health care services that an LME-MCO furnishes to Medicaid beneficiaries. Work is underway for the 2017/2018 EQRs.

**1915 (b) Waiver**
DMA has begun work on the 1915 (b) waiver renewal. The draft waiver will be posted to the DMA website for public comment in April 2017.

**Community Behavioral Health Service Needs, Providers and Gaps Analysis**:
The 2018 Gaps and Needs Analysis requirements document has been approved and will be posted to our website.

**Mental Health and Substance Use Disorder Parity**
DMA has submitted a State Plan Amendment to CMS demonstrating compliance with NC Health Choice and the Federal Mental Health and Substance Use Disorder Parity rules. We have already responded to a request for additional information and had an initial phone conference with CMS. A second phone conference has been scheduled.

## ENROLLMENT EXEMPTION FOR RESIDENTS AND INTERNS

DMA will continue to utilize the NPI Exemption List in NCTracks which allows residents and interns enrolled in Graduate Dental and Medical programs and Area Health Education Centers to be exempt from the provider enrollment requirement only through **April 30, 2018**. The exemption from the provider enrollment requirement does not include an exemption from the DEA registration requirement for controlled substances.

This exemption list is only applicable to the prescribing provider on a pharmacy claim. All providers that meet the enrollment criteria are required to enroll.

## NC HEALTHCONNEX CONNECTION REQUIRED BY JUNE 1, 2018

Per Session Law (S.L.) 2015-241, as amended by S.L. 2017-57, North Carolina providers who are reimbursed by the state for providing health care services under Medicaid and NC Health Choice (NCHC) programs must join NC HealthConnex, the state-designated Health Information Exchange.

**As of June 1, 2018**, hospitals, mid-level physicians and nurse practitioners who currently have an electronic health record system must be connected to NC HealthConnex to continue to receive payments for Medicaid and NCHC services. All other Medicaid and state-funded providers must be connected by June 1, 2019, including the State Health Plan, Program for All Inclusive Care of the Elderly (PACE) and state grants.

The NC Health Information Exchange Authority (HIEA), the NC Department of Information Technology agency that manages NC HealthConnex, will host "How to Connect" webinars the last Monday of each month at noon to educate providers affected by this law, describe the technical and onboarding requirements, and answer questions about the legal Participation Agreement that governs the data connection. In the meantime, providers can learn more at nchealthconnex.gov/how-connect.

## FEDERAL FEE INCREASE FOR PROVIDER ENROLLMENT

The Centers for Medicare & Medicaid Services (CMS) announced an increase in the federal application fee for provider enrollment. The application fee increased to $569 for calendar year 2018 for applications received Jan. 1 - Dec. 31, 2018.

The fee is required for any **institutional** providers who are newly enrolling in Medicaid or NC Health Choice, re-enrolling, re-credentialing or adding a new practice location. It **does not** apply to individual physicians or non-physician practitioners.

After the submission of the enrollment application, providers will receive an invoice for the fee. Providers are requested to wait for their invoice before submitting payment.

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