North Carolina Medicaid

Special Bulletin

*An Information Service of the Division of Medical Assistance*

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**October** **2007**

**ATTENTION:**

**All Providers**

# DMA Guidance for Tamper-Resistant Prescription Pads

# Introduction

Important legislation was passed by Congress in May 2007 requiring prescriptions for all Medicaid outpatient drugs to be written on tamper-resistant prescription pads in order to be eligible for federal reimbursement. This requirement was included in a provision in Section 7002(b) of the US Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007.

Tamper-resistant prescription pads contain security features specifically designed to prevent alterations and forgeries. The goal of this new law is to curtail illegal drug diversion caused by the forgery or theft of prescriptions. Because many of these drugs are resold to consumers, drug diversion is also a serious threat to public health.

**Summary of the Law**

In a CMS State Director's letter dated August 17, 2007, CMS offered guidance to state Medicaid agencies regarding the use of tamper-resistant prescription pads. The tamper-resistant prescription pad requirement becomes **effective October 1, 2007,** and **applies to all outpatient drugs, including over-the-counter drugs,** for which state Medicaid programs reimburse providers.

- Section 1927(k)(3) of the Social Security Act provides exceptions for drugs provided in nursing facilities; intermediate care facilities for the mentally retarded (ICF-MR); and other specified institutional and clinical settings such as those related to inpatient hospital, hospice, dental, physicians', laboratory, X-ray, and renal dialysis services. Such drugs in these settings (to the extent that they are not separately reimbursed) are not subject to the tamper-resistant pad requirement.
- Section 7002(b) is applicable regardless of whether Medicaid is the primary or secondary payer of the drug being dispensed.
- This law is applicable to dually eligible recipients (Medicare and Medicaid) who receive excluded medications from N.C. Medicaid.
- The law does not apply when a managed care entity pays for the prescription.
- The law does not apply to prescription refills of prescriptions presented at a pharmacy before October 1, 2007.
- The law does not apply to e-prescriptions, faxed prescriptions, or prescriptions communicated to pharmacies by telephone by a prescriber.
- This guidance does not restrict emergency fills of non-controlled or controlled substances for which a prescriber provides the pharmacy with a verbal, faxed, electronic or compliant written prescription within 72 hours after the date on which the prescription was filled.

**Compliant Prescription Pads**

To be compliant with the tamper-resistant prescription pad requirements on **October 1, 2007**, a prescription pad must contain at least **one** of the following three characteristics:

1. One or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form
2. One or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber
3. One or more industry-recognized features designed to prevent the use of counterfeit prescription forms

To be compliant with the tamper-resistant prescription pad requirements on **October 1, 2008**, a prescription pad must contain **all** three of the above characteristics.

# DMA Guidance

This bulletin provides North Carolina Division of Medical Assistance (DMA) guidance regarding the use of tamper-resistant prescription pads for prescriptions written for N.C. Medicaid recipients. It is the responsibility of all North Carolina providers who write prescriptions for N.C. Medicaid recipients to obtain tamper-resistant prescription pads that meet the required characteristics and are in compliance with Section 7002(b). DMA will not endorse specific vendors that supply tamper-resistant prescription pads.

**Industry-Standard Features**

Each provider must choose at least one of the following features for his or her prescription blanks in order to meet the October 1, 2007, requirement. By October 1, 2008, each provider must be using prescription pads that have at least one feature from each numbered characteristic, for a total of three features.

1. Industry-standard features that meet the requirements for characteristic #1:
    a. A latent, repetitive "void" pattern or the word "void" appearing across the entire front of the prescription blank when it is photocopied or scanned
    b. A blue or green background ink on the prescription blank that resists reproduction
    c. The word "illegal" appearing across the entire front of the prescription blank when it is photocopied or scanned
2. Industry-standard features that meet the requirements for characteristic #2:
    a. A chemical void protection on the prescription blank that prevents alteration by chemical washing
    b. Manufactured of quality safety paper that resists erasures and reproductions
    c. An area of opaque writing that disappears if the prescription blank is lightened
    d. Erasure protection on green or blue background on the front side of the prescription blank that resists alterations and erasures
    e. A feature printed in thermochromic ink that disappears or shows obvious tampering if the prescription blank is rubbed, scratched briskly, or if heat is applied
    f. Six quantity check off boxes printed on the prescription blank, with the following quantities listed. The prescription blank may include a space to designate the units referenced in the quantity boxes when the drug is not in tablet or capsule form:
        - 1–24
        - 25–49
        - 50–74
        - 75–100

- 101–150
- 151 and over

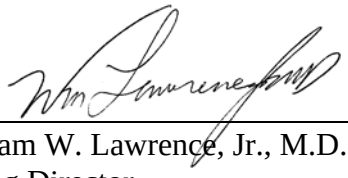
3. Industry-standard features that meet the requirements for characteristic #3:
    a. A description of security features included on each prescription blank
    b. A custom or repetitive watermark on the back of the prescription blank that can be seen only at a 45-degree angle. The watermark should bear either the name of the company manufacturing the prescription blank or the word "security"
    c. Logo of an individual, professional practice, professional association or hospital, appearing on the prescription blank in the upper left 1-inch square of the prescription blank

**Pharmacists' Responsibilities**

Pharmacists must continue to assure that prescriptions meet the requirements of 21 NCAC 46 .2301, according to which the following information must appear on each prescription:

- Date of issuance
- Name and address of patient
- Name, address and telephone number of prescriber (except that indication of the name of the prescriber is sufficient if a data file specified in this rule is current and in effect)
- Drug enforcement agency (DEA) number of prescriber in the case of controlled substances
- Name, strength, dosage form and quantity of drug prescribed
- Refills if authorized or, in institutions, the stop date
- Route of administration of drug prescribed
- Directions for use

Pharmacists accepting prescriptions for N.C. Medicaid recipients are responsible for assuring that the prescriptions are compliant with the requirements of Section 7002(b). Pharmacists may accept out-of-state prescriptions that meet the requirements of Section 7002(b). **Prescriptions reimbursed by N.C. Medicaid on noncompliant prescription pads are subject to recoupment.**



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