



*Medical Assistance*  
HEALTH AND HUMAN SERVICES

**An Information Service of the Division of Medical Assistance**

**North Carolina  
Medicaid Pharmacy  
Newsletter**

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## Pharmacy Reimbursement Methodology Changes

On Jan. 11, 2016, the Centers for Medicare & Medicaid Services (CMS) notified the Division of Medical Assistance (DMA) that our State Plan Amendment (SPA 14-047) had been reviewed and consistent with 42 CFR 430.20 was approved effective Jan. 1, 2016.

The approved SPA proposes that the state will use an average acquisition cost (AAC) reimbursement methodology to reimburse brand and generic drug ingredient costs. The National Average Drug Acquisition Cost (NADAC) will be used to determine the AAC when NADAC is available. If NADAC pricing is not available, the state will calculate the AAC as the Wholesale Acquisition Cost (WAC) + 0%. Reimbursement methodology will continue to include the lesser of NADAC, or WAC in absence of NADAC, and the State Maximum Allowable Cost (SMAC) rate on file. The amendment also proposed that the state pay pharmacies a tiered dispensing fee as follows:

- \$13.00 when 85% or more claims per quarter are for generic or preferred brand drugs,
- \$7.88 when less than 85% of claims per quarter are for generic or preferred brand drugs, and
- \$3.98 for non-preferred brand drugs

DMA has posted a [NADAC FAQ](#).

**This reimbursement methodology IS NOT programmed in NCTracks at this time.** Once programming is completed, pharmacy claims paid between Jan. 1, 2016, and when the updated reimbursement methodology is implemented into NCTracks will be reversed and rebilled 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 reverse and rebilling process is completed. Any difference will be recouped against future payments.

## NC Medicaid Provider Enrollment Requirement

42 CFR 455.410 requires any attending, rendering, ordering, referring or prescribing (OPR) providers to enroll with NC Medicaid and/or NC Health Choice (NCHC) to help prevent and detect fraud and abuse. This includes anyone who orders, refers, or prescribes services or items (such as pharmaceuticals) to NC Medicaid and NCHC beneficiaries, and seeks reimbursement.

Beginning with date of service Feb. 1, 2016, NC Medicaid will comply with this regulation, and new editing in NCTracks will ensure the prescribing provider NPI submitted on a pharmacy claim is enrolled. The only exception is residents of teaching schools and AHECs, and providers employed in state operated facilities until Aug. 1,

2016. If the prescribing provider is not enrolled, the pharmacy claim will deny and the pharmacy will receive notification that the prescribing provider is not enrolled. Prior Authorization (PA) or the emergency override (03) will NOT bypass the edit and will NOT allow the pharmacy claim to pay.

Pharmacies are encouraged to assist the beneficiary in getting the prescription written on the order of an enrolled provider when a pharmacy claim denies for this reason.

**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.***

**Recredentialing Due Dates for Calendar Year 2016**

DMA has posted a [Special Medicaid Bulletin Recredentialing Due Dates for Calendar Year 2016](#) on its website. In addition, DMA has posted a [spreadsheet](#) listing all active providers who are scheduled for recredentialing in 2016 (by month). It also can be found under the "recredentialing" section of the [Provider Enrollment web page](#).

**Coverage for Prilosec OTC® Terminates April 1, 2016**

Drug manufacturers are required to enter into, and have in effect, a national rebate agreement with the Secretary of the Department of Health and Human Services (HHS) in exchange for state Medicaid coverage of the drugs they manufacture. CMS has notified NC Medicaid that Proctor & Gamble Distributing, LLC (P&G) has terminated its federal rebate agreement with an effective date of March 31, 2016. Therefore, NC Medicaid will terminate coverage for the Prilosec® OTC NDCs listed below, effective April 1, 2016. Pharmacy claims submitted after March 31, 2016, will deny.

DRUG NAME	NDC
PRILOSEC® OTC 20 MG TABLET	37000005845
PRILOSEC® OTC 20 MG TABLET	37000045505
PRILOSEC® OTC 20 MG TABLET	37000046513
PRILOSEC® OTC 20.6 MG TABLET	37000035905
PRILOSEC® OTC 20.6 MG TABLET	37000035906
PRILOSEC® OTC 20.6 MG TABLET	37000035907

DRUG NAME	NDC
PRILOSEC® OTC 20.6 MG TABLET	37000045502
PRILOSEC® OTC 20.6 MG TABLET	37000045503
PRILOSEC® OTC 20.6 MG TABLET	37000045504
PRILOSEC® OTC 20.6 MG TABLET	37000045902
PRILOSEC® OTC 20.6 MG TABLET	37000045903
PRILOSEC® OTC 20.6 MG TABLET	37000045904
PRILOSEC® OTC 20.6 MG TABLET	37000080836
PRILOSEC® OTC 20.6 MG TABLET	37000080934
PRILOSEC® OTC 20.6 MG TABLET	37000080935

NC Medicaid will continue coverage for omeprazole OTC NDCs below since their manufacturers have an active federal rebate agreement.

DRUG NAME	NDC
OMEPRAZOLE DR 20 MG TABLET	00113091530
OMEPRAZOLE DR 20 MG TABLET	00113091555
GS OMEPRAZOLE DR 20 MG TABLET	00113091574
OMEPRAZOLE DR 20 MG TABLET	00904583441
OMEPRAZOLE DR 20 MG TABLET	00904583442
OMEPRAZOLE DR 20 MG TABLET	00904583471
SB OMEPRAZOLE DR 20 MG TABLET	15127002120
SB OMEPRAZOLE DR 20 MG TABLET	15127002121
SB OMEPRAZOLE DR 20 MG TABLET	15127002123
SB OMEPRAZOLE DR 20 MG TABLET	15127090314
SB OMEPRAZOLE DR 20 MG TABLET	15127090328
SB OMEPRAZOLE DR 20 MG TABLET	15127090342
OMEPRAZOLE DR 20 MG TABLET	36800091501
OMEPRAZOLE DR 20 MG TABLET	36800091503
OMEPRAZOLE DR 20 MG TABLET	36800091530
OMEPRAZOLE DR 20 MG TABLET	36800091555
OMEPRAZOLE DR 20 MG TABLET	36800091574
OMEPRAZOLE DR 20 MG TABLET	37205083706
OMEPRAZOLE DR 20 MG TABLET	37205083715
OMEPRAZOLE DR 20 MG TABLET	37205083766
OMEPRAZOLE DR 20 MG TABLET	37205083774
OMEPRAZOLE DR 20 MG TABLET	45802088830
OMEPRAZOLE DR 20 MG TABLET	45802088855
OMEPRAZOLE DR 20 MG TABLET	46122002903
OMEPRAZOLE DR 20 MG TABLET	46122002904
OMEPRAZOLE DR 20 MG TABLET	46122002974
OMEPRAZOLE DR 20 MG TABLET	46122002999
SM OMEPRAZOLE DR 20 MG TABLET	49348084646
SM OMEPRAZOLE DR 20 MG TABLET	49348084661

DRUG NAME	NDC
SM OMEPRAZOLE DR 20 MG TABLET	49348084678
OMEPRazole MAG DR 20.6 MG CAP	55111039727
OMEPRazole MAG DR 20.6 MG CAP	55111039752
HM OMEPRAZOLE DR 20 MG TABLET	62011015701
HM OMEPRAZOLE DR 20 MG TABLET	62011015702
HM OMEPRAZOLE DR 20 MG TABLET	62011015703
OMEPRaz MAG 20 MG CAPCDMA	63868017742

**Preferred Drug List (PDL) Update Effective April 1, 2016**

After receiving Fast Track Designation and Priority Review, the U.S. Food and Drug Administration (FDA) recently approved NARCAN® (naloxone HCl) 4 mg Nasal Spray, manufactured by Adapt Pharma, for commercial use in the United States. Based on the patient safety benefit of the commercially available naloxone nasal spray which facilitates the safe and immediate administration of naloxone for overdose, NARCAN® Nasal Spray will be move to preferred status in the Opioid Antagonist drug class on the NC Medicaid PDL [NC Medicaid Preferred Drug List \(PDL\)](#) with an effective date of April 1, 2016.

OPIOID ANTAGONIST	
Preferred	Non-Preferred
naloxone ampule / syringe / vial (generic for Narcan®) Narcan® Nasal Spray	Evzio® Auto-Injector

**Federal Upper Limit Reimbursement List**

The Federal Upper Limit (FUL) reimbursement rate does not cover the cost of certain drugs. Medicaid pharmacy programs are required to reference this reimbursement information when pricing drug claims. To receive adequate reimbursement, pharmacy providers may use the **DAWI** override to disregard the FUL reimbursement rate for the drugs listed on the FUL list until the FUL rate has been adjusted to adequately cover the cost of the drug.

As indicated in previous communications, use of the **DAWI** override code is monitored. A claim submitted for more than the SMAC rate on file may lead to an identifiable overpayment. Any difference between the SMAC rate on file for the date of service and the actual rate applied to the claim (*if higher*) may be considered an overpayment and subject to recoupment.

Listed below are **ONLY NEW ADDITIONS** since the previous month. The full list is available on the [DMA Outpatient Pharmacy Services web page](#).

<b>NDC</b>	<b>NAME</b>
00904626661	ALLOPURINOL 100 MG TABLET/MAJOR PHARMACEU
16714004101	ALLOPURINOL 100 MG TABLET/NORTHSTAR RX LL
16714004104	ALLOPURINOL 100 MG TABLET/NORTHSTAR RX LL
16714004106	ALLOPURINOL 100 MG TABLET/NORTHSTAR RX LL
16714004107	ALLOPURINOL 100 MG TABLET/NORTHSTAR RX LL
16714004110	ALLOPURINOL 100 MG TABLET/NORTHSTAR RX LL
16714004112	ALLOPURINOL 100 MG TABLET/NORTHSTAR RX LL
16729013401	ALLOPURINOL 100 MG TABLET/ACCORD HEALTHCA
21695083630	ALLOPURINOL 100 MG TABLET/PHYSICIAN PARTN
21695083642	ALLOPURINOL 100 MG TABLET/PHYSICIAN PARTN
21695083660	ALLOPURINOL 100 MG TABLET/PHYSICIAN PARTN
21695083690	ALLOPURINOL 100 MG TABLET/PHYSICIAN PARTN
33358001200	ALLOPURINOL 100 MG TABLET/CORE PHARMA/RXC
35356085630	ALLOPURINOL 100 MG TABLET/QUALITY CARE
35356085660	ALLOPURINOL 100 MG TABLET/QUALITY CARE
35356085690	ALLOPURINOL 100 MG TABLET/QUALITY CARE
43063007920	ALLOPURINOL 100 MG TABLET/PD-RX PHARM
43063007930	ALLOPURINOL 100 MG TABLET/PD-RX PHARM
49999037430	ALLOPURINOL 100 MG TABLET/QUALITY CARE
52959047300	ALLOPURINOL 100 MG TABLET/PHARMA PAC
52959047330	ALLOPURINOL 100 MG TABLET/PHARMA PAC
53489015601	ALLOPURINOL 100 MG TABLET/SUN PHARMACEUTI
53489015605	ALLOPURINOL 100 MG TABLET/SUN PHARMACEUTI
53489015610	ALLOPURINOL 100 MG TABLET/SUN PHARMACEUTI
54569023303	ALLOPURINOL 100 MG TABLET/A-S MEDICATION
54868007500	ALLOPURINOL 100 MG TABLET/PHYSICIANS TC
54868007503	ALLOPURINOL 100 MG TABLET/PHYSICIANS TC
54868007504	ALLOPURINOL 100 MG TABLET/PHYSICIANS TC
54868007505	ALLOPURINOL 100 MG TABLET/PHYSICIANS TC
55111072901	ALLOPURINOL 100 MG TABLET/DR. REDDY'S LAB
55111072910	ALLOPURINOL 100 MG TABLET/DR. REDDY'S LAB
60429018001	ALLOPURINOL 100 MG TABLET/GSMS, INC
60429018010	ALLOPURINOL 100 MG TABLET/GSMS, INC
60429018018	ALLOPURINOL 100 MG TABLET/GSMS, INC
60429018090	ALLOPURINOL 100 MG TABLET/GSMS, INC
60505251602	ALLOPURINOL 100 MG TABLET/APOTEX CORP
60505251603	ALLOPURINOL 100 MG TABLET/APOTEX CORP
60760011430	ALLOPURINOL 100 MG TABLET/ST MARYS MPP
63304053901	ALLOPURINOL 100 MG TABLET/RANBAXY PHARMAC
63304053910	ALLOPURINOL 100 MG TABLET/RANBAXY PHARMAC
63629167501	ALLOPURINOL 100 MG TABLET/BRYANT RANCH PR
63629167502	ALLOPURINOL 100 MG TABLET/BRYANT RANCH PR
63629167503	ALLOPURINOL 100 MG TABLET/BRYANT RANCH PR

NDC	NAME
63629167504	ALLOPURINOL 100 MG TABLET/BRYANT RANCH PR
65243030509	ALLOPURINOL 100 MG TABLET/VA CMOP, DALLAS
67544098830	ALLOPURINOL 100 MG TABLET/APHENA PHARMA S
67544098860	ALLOPURINOL 100 MG TABLET/APHENA PHARMA S
67544098880	ALLOPURINOL 100 MG TABLET/APHENA PHARMA S
00591081083	SILVER SULFADIAZINE 1% CREAM/ACTAVIS PHARMA,
16590020644	SILVER SULFADIAZINE 1% CREAM/STAT RX USA
16590020650	SILVER SULFADIAZINE 1% CREAM/STAT RX USA
21695018225	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
21695018240	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
21695018250	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
21695018285	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
23490626500	SILVER SULFADIAZINE 1% CREAM/PALMETTO STATE
23490626501	SILVER SULFADIAZINE 1% CREAM/PALMETTO STATE
23490626502	SILVER SULFADIAZINE 1% CREAM/PALMETTO STATE
23490626503	SILVER SULFADIAZINE 1% CREAM/PALMETTO STATE
42254011825	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
42254011840	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
42254011850	SILVER SULFADIAZINE 1% CREAM/PHYSICIAN PARTN
42549072925	SILVER SULFADIAZINE 1% CREAM/STAT RX USA
42549072950	SILVER SULFADIAZINE 1% CREAM/STAT RX USA
49999018525	SILVER SULFADIAZINE 1% CREAM/QUALITY CARE
49999018550	SILVER SULFADIAZINE 1% CREAM/QUALITY CARE
50436309801	SILVER SULFADIAZINE 1% CREAM/UNIT DOSE SERVI
50436309901	SILVER SULFADIAZINE 1% CREAM/UNIT DOSE SERVI
52959063500	SILVER SULFADIAZINE 1% CREAM/PHARMA PAC
52959063525	SILVER SULFADIAZINE 1% CREAM/PHARMA PAC
52959063550	SILVER SULFADIAZINE 1% CREAM/PHARMA PAC
54569341700	SILVER SULFADIAZINE 1% CREAM/A-S MEDICATION
54569451900	SILVER SULFADIAZINE 1% CREAM/A-S MEDICATION
54569520200	SILVER SULFADIAZINE 1% CREAM/A-S MEDICATION
54569534800	SILVER SULFADIAZINE 1% CREAM/A-S MEDICATION
54868037501	SILVER SULFADIAZINE 1% CREAM/PHYSICIANS TC
54868037502	SILVER SULFADIAZINE 1% CREAM/PHYSICIANS TC
54868037504	SILVER SULFADIAZINE 1% CREAM/PHYSICIANS TC
54868037505	SILVER SULFADIAZINE 1% CREAM/PHYSICIANS TC
55045134404	SILVER SULFADIAZINE 1% CREAM/DISPENSING SOLN
55045134408	SILVER SULFADIAZINE 1% CREAM/DISPENSING SOLN
55700006820	SILVER SULFADIAZINE 1% CREAM/QUALITY CARE
55700006825	SILVER SULFADIAZINE 1% CREAM/QUALITY CARE
55700006840	SILVER SULFADIAZINE 1% CREAM/QUALITY CARE
55700006850	SILVER SULFADIAZINE 1% CREAM/QUALITY CARE

NDC	NAME
61919020625	SILVER SULFADIAZINE 1% CREAM/DIRECT RX
61919020650	SILVER SULFADIAZINE 1% CREAM/DIRECT RX
67877012405	SILVER SULFADIAZINE 1% CREAM/ASCEND LABORATO
67877012420	SILVER SULFADIAZINE 1% CREAM/ASCEND LABORATO
67877012425	SILVER SULFADIAZINE 1% CREAM/ASCEND LABORATO
67877012485	SILVER SULFADIAZINE 1% CREAM/ASCEND LABORATO
68387045001	SILVER SULFADIAZINE 1% CREAM/DISPENSING SOLN
00093017456	LEFLUNOMIDE 20 MG TABLET/TEVA USA
00781505731	LEFLUNOMIDE 20 MG TABLET/SANDOZ
00955173730	LEFLUNOMIDE 20 MG TABLET/WINTHROP US
13811067830	LEFLUNOMIDE 20 MG TABLET/TRIGEN LABORATO
16714033101	LEFLUNOMIDE 20 MG TABLET/NORTHSTAR RX LL
23155004403	LEFLUNOMIDE 20 MG TABLET/HERITAGE PHARMA
54868231900	LEFLUNOMIDE 20 MG TABLET/PHYSICIANS TC
60429032030	LEFLUNOMIDE 20 MG TABLET/GSMS, INC
60505250301	LEFLUNOMIDE 20 MG TABLET/APOTEX CORP
60505250303	LEFLUNOMIDE 20 MG TABLET/APOTEX CORP
63629126301	LEFLUNOMIDE 20 MG TABLET/BRYANT RANCH PR
66993016130	LEFLUNOMIDE 20 MG TABLET/PRASCO LABS
00168030915	DESONIDE 0.05% OINTMENT/SANDOZ
00168030960	DESONIDE 0.05% OINTMENT/SANDOZ
51672128101	DESONIDE 0.05% OINTMENT/TARO PHARM USA
54569488500	DESONIDE 0.05% OINTMENT/A-S MEDICATION
54868445300	DESONIDE 0.05% OINTMENT/PHYSICIANS TC.
54868445301	DESONIDE 0.05% OINTMENT/PHYSICIANS TC.
00406114401	METHYLPHENIDATE 10 MG TABLET/MALLINCKRODT
00406114410	METHYLPHENIDATE 10 MG TABLET/MALLINCKRODT
00591588301	METHYLPHENIDATE 10 MG TABLET/ACTAVIS
00781574901	METHYLPHENIDATE 10 MG TABLET/SANDOZ
53014053007	METHYLPHENIDATE 10 MG TABLET/UCB PHARMA
57664022988	METHYLPHENIDATE 10 MG TABLET/CARACO PHARM
68084082321	METHYLPHENIDATE 10 MG TABLET/AHP

**Electronic Cut-off Schedule**

April 1, 2016  
 April 8, 2016  
 April 15, 2016  
 April 22, 2016

**Checkwrite Schedule**

April 5, 2016  
 April 12, 2016  
 April 19, 2016  
 April 26, 2016



*POS claims must be transmitted and completed by 11:59 p.m. on the day of the electronic cut-off date to be included in the next checkwrite.*

The 2016 DMA checkwrite schedule is under **Quick Links** on the [NCTracks Provider Portal home page](#).

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