



State of Louisiana
Department of Health and Hospitals
Bureau of Health Services Financing

September 2, 2011

Re: Criteria for Reimbursement of Influenza Vaccine/Administration for the 2011-2012 Season
Criteria for Reimbursement of Palivizumab (Synagis®) for the 2011-2012 Season
Pharmacy Compliance Audit Findings
Federal Upper Limit (FUL) Update
Tamper Resistant Prescription Requirements

Dear Pharmacist:

The Louisiana Medicaid Pharmacy Benefits Management Program (LMPBM) would like to make pharmacy providers aware of the enclosed program policy. Your continued cooperation and support of the LMPBM Program as well as your service to our recipients are greatly appreciated.

If you have any concerns or comments regarding this correspondence, you may contact the LMPBM Section at 800-437-9101 or 225-342-9768.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Gregory".

Don Gregory
Medicaid Director

DG/MJT

Enclosures

2011-2012 Influenza Season

Influenza Vaccine Administration

Louisiana Medicaid will reimburse enrolled pharmacies for the 2011-2012 influenza vaccines and administration of the vaccines for Medicaid recipients who are nineteen years of age and older when the administering pharmacist is an enrolled Medicaid provider. The cost of the vaccine will not be reimbursed for recipients under the age of nineteen as these vaccines are available through the Louisiana Vaccines for Children (VFC) program. Only the administration fee will be reimbursed for these recipients. Please visit www.lamedicaid.com, following the link for Pharmacy & Prescribing Providers/Influenza Information/2011-2012 Influenza Season for policy, reimbursement and detailed billing information.

New this influenza season is the Fluzone® intradermal vaccine which is indicated for ages eighteen to sixty-four. This vaccine is not provided by the VFC program this season. Therefore, Medicaid will reimburse the cost of the vaccine and its administration when given to recipients who are ages eighteen through sixty-four.

Authority to Administer

The LMPBM Program, as advised by the Louisiana Board of Pharmacy, has directed closure of Medicaid enrollment for pharmacists who previously had the Authority to Administer immunizations. In accordance with the Board of Pharmacy requirement, each pharmacist certified to administer vaccines must have their current CPR certificate on file with the Board.

The LMPBM Program requires that pharmacists must have an active status with the Board of Pharmacy in order to maintain open enrollment with Medicaid. Pharmacists with closed Medicaid enrollment who wish to continue providing this service should contact the Board of Pharmacy to provide proof of certification requirements. Once active, the pharmacist should contact Molina Provider Enrollment at 225-216-6370 to re-enroll with Louisiana Medicaid.

2011-2012 Reimbursement Criteria for Palivizumab (Synagis®)*

Palivizumab is indicated for the prevention of serious lower respiratory tract infection caused by respiratory syncytial virus (RSV) in selected infants and young children. The LMPBM Program will maintain criteria previously established for reimbursement of palivizumab. Pharmacy claims for palivizumab will be reimbursed by Louisiana Medicaid when prescriptions meet all of the following five (5) criteria:

RSV Season

Palivizumab claims will be reimbursed in accordance with an RSV Season of November 1, 2011 through March 31, 2012. Palivizumab claim with dates of service outside of the RSV Season will deny. However, with the required prescribing practitioner justification and documentation, the claims may be overridden electronically.* For dates of service after September 1, 2011, Medicaid will allow transmittal of palivizumab claims through the electronic Point of Sale system.

Maximum Number of Doses Allowed

Based upon the diagnosis code submitted, a maximum of five (5) doses of palivizumab will be reimbursed each RSV Season. If a diagnosis code of 765.27 (33-34 completed weeks of gestation) is submitted, then a maximum of three (3) doses will be reimbursed each RSV Season.

Age Restriction

Palivizumab claims will be reimbursed for recipients who are twenty-four (24) months of age and younger as of November 1, 2011.

ICD-9-CM Diagnosis Code Requirement

An ICD-9-CM diagnosis code to justify the reason for palivizumab use must be documented on all palivizumab prescriptions.

Early Refill

Palivizumab claims will process for payment every twenty-eight (28) days.

*For detailed policy, acceptable diagnosis codes and override procedures, pharmacies dispensing palivizumab should refer to the Pharmacy Provider Policy Manual and the Point of Sale User Guide both located at www.lamedicaid.com, following the link for Pharmacy & Prescribing Providers/Pharmacy Benefits Management Services Chapter 37 and Point of Sale (POS) User Guide.

Pharmacy Compliance Audit Findings

Pharmacy Audit staff would like to make pharmacy providers aware of a few common audit findings. All policy and documentation requirements are detailed in the Pharmacy Provider Policy Manual and the Point of Sale User Guide, both located at www.lamedicaid.com. Staff is available to discuss any policy or documentation questions and may be contacted at 1-800-437-9101 or 225-342-9768.

“Brand Medically Necessary” Versus “Medically Necessary Override”

The **Federal Upper Limit (FUL)/Louisiana Maximum Allowable Cost (LMAC)** can be overridden when the prescribing practitioner utilizing his/her medical judgment certifies in his/her own handwriting that a **specific brand name drug** is medically necessary for a specific patient. The certification must be written either directly on the prescription or must be a signed and dated attachment (which may be faxed) to the prescription. The only acceptable phrases are **“brand necessary”** or **“brand medically necessary.”**

To override the claim, pharmacists must enter a value of “1” (which is the exemption for FUL/LMAC limitation in the NCPDP field **408-D8 (Dispense as Written {DAW} Product Selection Code)**). If this code is entered in the field, it will affect the amount paid to the provider. To determine what value you should enter in your pharmacy claim software, contact your software vendor or your pharmacy system documentation. LMPBM is working on an edit for the

proper use of the “Dispense and Written (DAW) Product Selection Code” when submitted with a claim for a specified brand name drug when multi-source drugs are available. For detailed billing information, consult the Point of Sale User Guide or Vendor Specs document found at www.lamedicaid.com.

The **four-prescription monthly limit** can be overridden when the prescribing practitioner authorizes the medical necessity of the drug and communicates to the pharmacist the following information in his own handwriting or by telephone or other telecommunications device: **“medically necessary override”** and a **valid ICD-9-CM Diagnosis Code that directly relates to each drug prescribed that is over four.** (No ICD-9-CM literal description is acceptable.)

When submitting a claim for a recipient exceeding the four prescriptions per month and the prescribing practitioner has communicated the required information, the pharmacist must submit an override by supplying the following POS claim data information: the **valid ICD-9-CM diagnosis code** entered in the NCPDP field 424-DO (**Diagnosis**) and a value of “5” which is **“Exemption from Rx”** in the NCPDP field 461-EU (**Prior Authorization Type Code**).

Other Documentation Requirements

To override other pharmacy program policies, documentation on the hard copy prescription may be required. Pharmacy staff should refer to the Pharmacy Provider Policy Manual and the Point of Sale User Guide for guidance.

Billing of Actual National Drug Code (NDC) Dispensed

The provider must enter the entire eleven-digit NDC for the **actual product and package size dispensed** on the claim as the NDC is critical for accurate reimbursement. Billing an NDC number other than the one for the product dispensed is a false claim and a violation of Medicaid policy.

Billing Correct Units of Measurement and Quantity

Medicaid has adopted the National Council for Prescription Drug Programs (NCPDP) unit of measurement for the billing unit standard. The NCPDP standard uses only three billing units to describe all drug products: “each,” “ml,” and “gm.”

Prescriptions must be billed with the appropriate quantity. For example, Diastat® contains two syringes; to receive the appropriate reimbursement, pharmacists must bill a quantity of “one” representing the kit being dispensed.

Federal Upper Limit (FUL) Update

LMPBM has updated the drug prices for a limited number of drug products which have FUL prices. Myers and Stauffer LC, a national consulting firm, will review FUL pricing upon request by pharmacy providers and approval by LMPBM for specific drugs. Below is a listing of those products which have been updated effective August 1, 2011. A complete LMAC and FUL rate listing will be available to providers and updated periodically. This list may be found as Drug Appendix A-1 at www.lamedicaid.com and on the Myers and Stauffer website at

<http://la.mslc.com>. For questions regarding LMAC or FUL rates, please contact the Myers and Stauffer helpdesk at 1-800-591-1183.

Betamethasone Dipropionate 0.05% Cream	Nicardipine HCl 30mg Cap
Betamethasone Dipropionate 0.05% Lotion	Nystatin 100,000/G Cream
Betamethasone Valerate 0.1% Cream	Nystatin 100,000/G Oint
Carbamazepine 100mg/5ml Susp	Nystatin/Triamcinolone 100000-0.1 Cream
Clotrimazole/Betamet Diprop 1%-0.05% Cream	
Clotrimazole/Betamet Diprop 1%-0.05% Lotion	
Desonide 0.05% Lotion	Nystatin/Triamcinolone 100000-0.1 Oint
Doxepin 50 mg Cap	Piroxicam 20mg Cap
Fluocinonide 0.05% Cream	Potassium Chloride 10mEq Tab ER PRT
Fluocinonide 0.05% Soln	Sulfacetamide Sodium 10% Ophthalmic Drops
Gentamicin 0.3% Ophthalmic Drops	Ticlopidine 250mg Tab
Hydrocortisone 1% Cream	Tobramycin 0.3% Ophthalmic Drops
Hydrocortisone Valerate 0.2% Cream	Triamcinolone Acetonide 0.025% Cream
Levobunolol 0.5% Ophthalmic Drops	Triamcinolone Acetonide 0.1% Cream
Methenamine Mandelate 1G Tab	Triamcinolone Acetonide 0.1% Oint
Methylprednisolone 4mg Dosepak	Triamcinolone Acetonide 0.5% Cream
Neomycin/Polymyxin B/Dexameth 3.5-10K-0.1 Ophthalmic Oint	

Tamper Resistant Prescription Policy

Written, non-electronic prescriptions for Medicaid recipients are required to be tamper-resistant. The "TMA, Abstinence Education and QI Program Extension Act of 2007" (H.R. 3668) and the "U.S. Troop Readiness, Veterans' Health Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007" (H.R. 2206) states that all handwritten prescriptions or those printed from an EMR (electronic medical record) or an ePrescribing application must contain **all three** characteristics listed below. Exceeding these guidelines is permissible.

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

This provision applies to all written (non-electronic) prescriptions for outpatient drugs including over-the-counter drugs reimbursed by the Louisiana Medicaid Pharmacy Program, regardless of whether Medicaid is the primary or secondary payer. It is the responsibility of the prescriber to obtain and purchase tamper-resistant prescription pads. Please refer to Appendix L Table of Tamper Resistant Prescription Criteria and Examples at www.lamedicaid.com for detailed information.