



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**MEMORANDUM**

**DATE:** June 28, 2024

**TO:** All Louisiana Medicaid Prescribing Providers and Pharmacists

**FROM:** Kimberly Sullivan, Medicaid Executive Director *KLS*

**SUBJECT:** Louisiana Medicaid Pharmacy Diagnosis Code Policy  
Reminder

The Louisiana Medicaid Fee for Service (FFS) Pharmacy Program has Point of Sale (POS) diagnosis code requirements for select medications. The purpose of this memo is to remind providers of the procedure to submit a diagnosis code for a pharmacy claim. Pharmacy claims are submitted to Gainwell for FFS and to Magellan for MCOs (Aetna, AmeriHealth Caritas, Healthy Blue, Humana Healthy Horizons, Louisiana Healthcare Connections, and UnitedHealthcare).

Some pharmacy claims require an appropriate diagnosis code to pay at Point of Sale and some require an appropriate diagnosis code to bypass an edit.

**Point of Sale Diagnosis Code Submission**

Select medications require an ICD-10-CM diagnosis code entered at Point of Sale for payment. The prescriber or pharmacist must document the diagnosis code.

- The prescriber must document an appropriate diagnosis code on the hard copy prescription or electronic prescription.
- If no diagnosis code was documented by the prescriber, then, after communication with the prescriber (or prescriber's agent) about the appropriate diagnosis code, the pharmacist must document the diagnosis code on the hardcopy prescription or in the pharmacy's electronic record keeping system. The diagnosis code may be communicated to the pharmacist electronically, via telephone, or facsimile.

A pharmacy claim will deny at Point of Sale (POS) when there is a missing or invalid diagnosis code submitted in **NCPDP field 424-DO** (Diagnosis Code) with:

Denial from Gainwell (FFS Only): **NCPDP rejection code 39** (Missing/Invalid ICD-10-CM diagnosis code) mapped to **EOB Code 575** (Missing/Invalid ICD-10-CM diagnosis code).

Denial from Magellan (MCO Only): **NCPDP denial code 39** (Missing/Invalid ICD-10-CM diagnosis code) returned when there is an invalid or no ICD-10-CM diagnosis code submitted **OR** **NCPDP rejection code 80** (Diagnosis code submitted does not meet drug coverage criteria) returned when there is an incorrect ICD-10-CM diagnosis code submitted.

### **Bypass Diagnosis Code**

A diagnosis code specific to the recipient's disease state should be entered on the pharmacy claim, and if the diagnosis warrants, it will **bypass** some clinical edits for the drug.

### **Example: Diagnosis Code Policy for Short-Acting Beta<sub>2</sub> Agonist Inhalers**

Frequency of use of short-acting beta<sub>2</sub> adrenergic agonists is a good measure of asthma control. Increasing use of these inhalers generally indicates inadequate control and the need for medication re-evaluation by the prescriber. The goal of this policy is to foster communication between recipients, prescribers, and pharmacists when there appears to be overutilization. Therefore, a maximum of six (6) short-acting beta<sub>2</sub> agonist inhalers per calendar year will process without prescriber consultation.

Pharmacy claims for short-acting beta<sub>2</sub> agonist inhalers (SABAs) (i.e albuterol and levalbuterol) require an appropriate diagnosis code and are subject to a maximum quantity of six short-acting beta<sub>2</sub> agonist inhalers per calendar year.

Pharmacy claims for albuterol and levalbuterol inhalers will bypass the yearly quantity limit of (6 inhalers) when submitted with an appropriate bypass diagnosis code. Pharmacy claims for albuterol and levalbuterol inhalers are subject to audit by the Louisiana Medicaid pharmacy program.

<b>Bypass Diagnoses</b> <i>Diagnosis code submitted on the pharmacy claim will bypass yearly limit.</i>		
<b>Generic-Brand Examples</b>	<b>Diagnosis Description</b>	<b>Diagnosis Code</b>
<b>Albuterol</b> – ProAir HFA®, ProAir® Digihaler™, ProAir® RespiClick®, Proventil HFA®, Ventolin HFA® <b>Levalbuterol</b> – Xopenex HFA®	Bronchitis, not specified	J40
	Chronic Airway Obstruction	J44.9
	Cystic Fibrosis	E84.*
	Emphysema	J43.*
	Obstructive Chronic Bronchitis, Chronic Obstructive Asthma	J44.*

*\*any number or letter or combination of UP TO FOUR numbers and letters of an assigned ICD-10-CM diagnosis code*

**Additional Information:**

Refer to the [ICD-10-CM Diagnosis Code Policy Chart](#) for select agents that require a diagnosis code at Point of Sale.

Refer to <http://ldh.la.gov/assets/HealthyLa/Pharmacy/PDL.pdf> for the PDL, which is inclusive of the *Louisiana Uniform Prescription Drug Prior Authorization Form*, medication list, and criteria.

If you have questions about the content of this memo, you may contact the FFS pharmacy help desk by phone at (800) 437-9101.

FFS pharmacy claims should be submitted to Gainwell Technologies. MCO pharmacy claims should be submitted to Magellan.

If you have questions about pharmacy claims billing, you may contact the appropriate plan at their pharmacy help desk listed in the chart below.

Healthcare Provider	Pharmacy Help Desk	Pharmacy Help Desk Phone Number
Aetna, AmeriHealth Caritas, Healthy Blue, Humana Healthy Horizons, Louisiana Healthcare Connections, UnitedHealthcare	Magellan	(800) 424-1664
Fee for Service	Gainwell Technologies	(800) 648-0790

Please forward this notice to other providers to assist with notification. Your continued cooperation and support of the Louisiana Medicaid Program efforts to coordinate care and improve health are greatly appreciated.

KS/MBW/GJS

c: Healthy Louisiana Plans  
Melwyn B. Wendt  
Gainwell Technologies  
Magellan