

Alaska Medicaid Pharmacy Update 2020

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Disclosure

- ▶ Employed as pharmacists with the State of Alaska in the Division of Health Care Services, Alaska Medicaid
- ▶ No potential conflict of interest.
- ▶ No specific drug or off-label use discussion.

Learning Objectives

- ▶ Define a list of key historical events integral to the modern Medicaid program
- ▶ Outline where to find program rules for specific medications
- ▶ Discuss claims processing rules for preferred and non-preferred medications
- ▶ Review specific pharmacist drug utilization review override codes to resolve prospective opioid edits
- ▶ Summarize between billing medical supplies and covered outpatient drugs

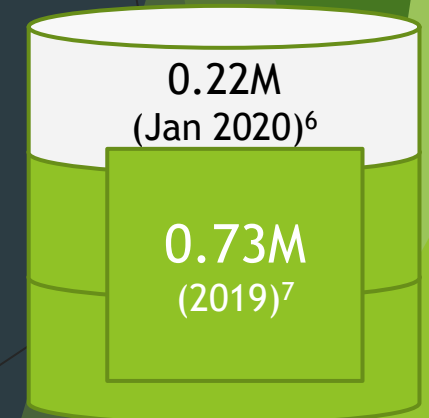
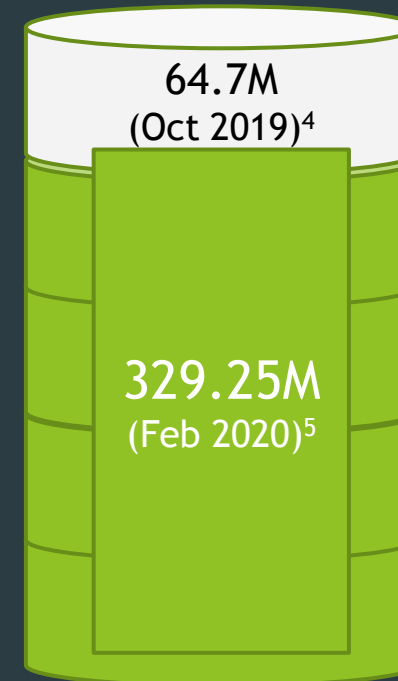
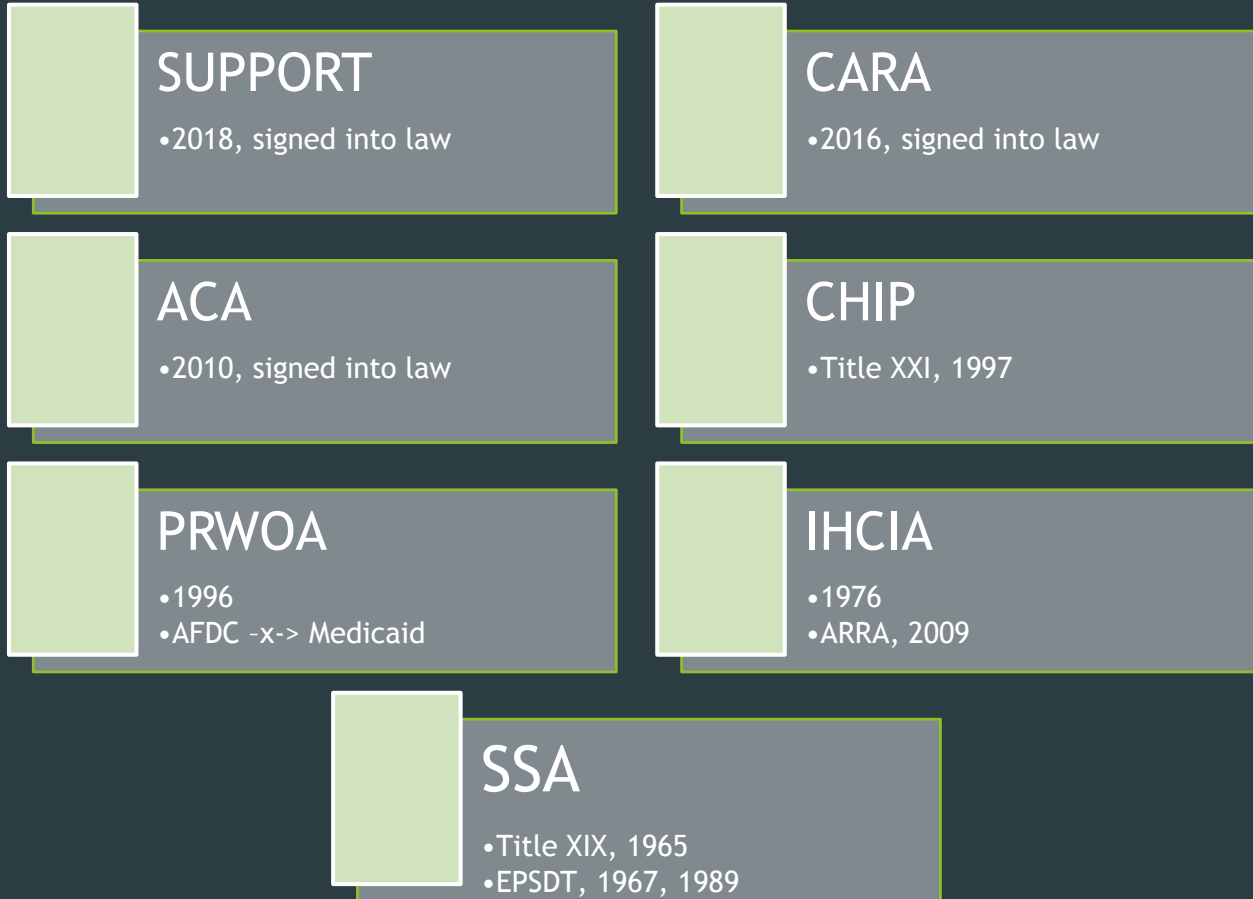
Knowledge Assessment - Questions

- ▶ 1) To be a covered outpatient drug, a medication must be one for which federal Medicaid matching funds are available.
 - ❑ True
 - ❑ False

- ▶ 2) Glucose meters or aerochambers (durable medical equipment (DME) and medical supply items) that do not pay at the Pharmacy point of sale are not covered by Medicaid.
 - ❑ True
 - ❑ False

- ▶ 3) When a pharmacy is enrolled with Alaska Medicaid as a Medical Supplier, this form can be used to bill for durable medical equipment and medical supplies:
 - a) DEA 106
 - b) CMS 1500
 - c) EZ 1040

Historical Events Integral To The Modern Medicaid Program^{1,2,3}



1. <https://aspe.hhs.gov/report/using-medicaid-support-working-age-adults-serious-mental-illnesses-community-handbook/brief-history-medicaid>
2. <https://www.medicaid.gov/medicaid/indian-health-medicaid/indian-health-care-improvement-act/index.html>
3. <https://www.macpac.gov/subtopic/overview-of-the-affordable-care-act-and-medicaid/>
4. <https://www.medicaid.gov/medicaid/index.html>
5. <https://www.census.gov/popclock/>
6. <http://dhss.alaska.gov/HealthyAlaska/Pages/dashboard.aspx>
7. <http://live.laborstats.alaska.gov/pop/>

Covered Outpatient Drug Rule

- ▶ In order for a drug to be covered by Medicaid it must be one
 1. that may be dispensed only upon a prescription;
 2. for which the United States Food and Drug Administration (FDA) requires a national drug code (NDC) number;
 3. that is listed electronically with the FDA;
 4. which the manufacturer has obtained a new drug application or an abbreviated new drug application or biologic license agreement from the FDA; and
 5. for which federal Medicaid matching funds are available.

Preferred Drug List (PDL) Updates

- ▶ The PDL is not an all encompassing list of covered outpatient drugs, but rather a subset list of drugs that are managed by the State and the P&T committee
- ▶ Updated after each Pharmacy and Therapeutics (P&T) committee meeting (SB44; Aug 8, 2019)
- ▶ There are four sub-groups of drugs and one group is reviewed at each meeting
- ▶ The P&T and DUR committees consists of physicians, physician assistants, and pharmacists
- ▶ The P&T committee's recommendations are incorporated into the development of the preferred drug list.
- ▶ The Drug Utilization Review Committee (DUR) reviews and approves new drug criteria and rules for adjudication
- ▶ If you are interested in serving as a committee member volunteer, please contact me at Charles.Semling@Alaska.gov

Preferred vs. Non-Preferred Drugs

- ▶ Preferred drugs pay at the point of sale unless the medication is on the Interim Suspend List, the cost exceeds \$7,500, or maximum allowed units are exceeded requiring a prior authorization
- ▶ If a medication is a non-preferred agent, “medically necessary” must be written on the hard copy either by the prescriber or the pharmacist after consultation with the prescriber.
- ▶ These can be overridden by using 8 in the PATC field
- ▶ Many states require a prior authorization for step-through of a preferred agent

ICD-10 Compliance and Overrides for Certain Drugs and Opioids

- ▶ Certain medications listed in Table 1 on the following slide will require an ICD-10 diagnosis code
- ▶ When the diagnosis code is submitted with the claim it will bypass the prior authorization requirements, thus decreasing some of the administrative burden
- ▶ If the ICD-10 is not submitted with the prescription the pharmacist may contact the prescriber to obtain it
- ▶ If the pharmacist is unable to obtain the diagnosis code, the prescription may be subject to prior authorization to verify that the diagnosis matches the FDA label
- ▶ Letters were sent to providers that prescribe any of the medications found on Table 1 in December
- ▶ If a pharmacy is dispensing a medication directly to a clinic or doctors office, a location indicator code of 11 must be submitted with the claim

ICD-10 Required on Claim

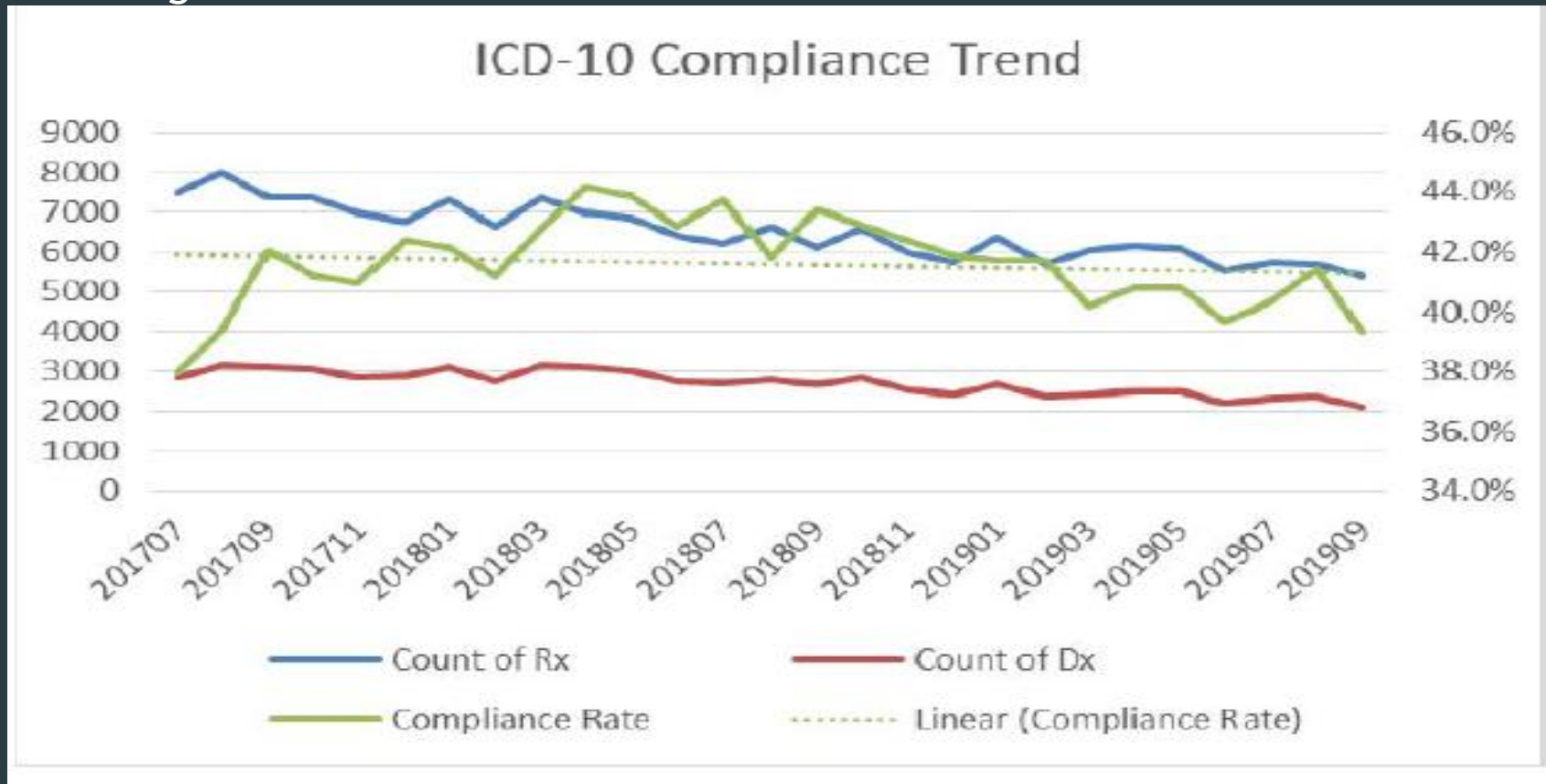
Table 1

All HIV drugs	Impavido	Valchlor gel
ATryn	Jakafi	Vemlidy
Beleodaq	Kanuma	Venclexta
Bendeka	Lenvima	Vimizim
Cabometyx	Mekinist	Vitekta
Ceenu	Myalept	Xtandi
Cetylev	Ninlaro	Zelboraf
Cholbam	Odomzo	Zydelig
Cometriq	Ofadin	Zytiga
	Opioids	

*** Schedule II stimulants for ages 21+ effective 5/1/20

ICD-10 Compliance for Opioids

- ▶ ICD-10 requirement for opioids implemented in July 2017
- ▶ Goal, to aid appropriate utilization of opioids
- ▶ The Submission Clarification Code of 2 for reject 39 is still in place, but could change if a continued downward trend is observed



How to Bill DME vs Covered Outpatient drugs

- ▶ Diabetic testing supplies, aerochambers, nebulizers, etc. are considered Durable Medical Equipment (DME)/Medical Supplies.
- ▶ The pharmacy must be enrolled as a DME provider to bill for these items
- ▶ Some items such as test strips, will pay at the point of sale because a bypass was placed in the system to make it easier for the pharmacy to bill and dispense
- ▶ DME items such as, continuous glucose monitors, that reject at the point of sale are covered by Medicaid
- ▶ Proper billing for DME items that won't adjudicate at the point of sale require a CMS 1500 form to be submitted to Conduent for payment
- ▶ Effective January 1, 2018, federal upper limits for durable medical equipment went into effect

Remittance Advice (RA) Message

- ▶ Inhaler assist devices, also known as spacers (A4627 SPACER, BAG OR RESERVOIR, WITH OR WITHOUT MASK, FOR USE WITH METERED DOSE INHALER), used with meter dose inhalers, are medical supplies covered by Alaska Medicaid. Similar to **diabetic supplies**, spacers may be billed by Alaska Medicaid enrolled medical suppliers.
- ▶ Alaska Medicaid does not require use of a specific brand of spacer or meter at this time. Claims for DME items submitted by a pharmacy through the pharmacy point-of-sale system that do not result in a paid claim should be submitted as a medical supply/DME claim.
 - ▶ ****Supplies that pay through Pharmacy POS are not Pharmacy Items by federal definition, they are still Medical Supplies****
- ▶ Questions about enrolling as a medical supplier? Contact Provider Enrollment at 907.644.6800, option 2, or toll-free in Alaska at 800.770.5650, option 1, 3.
- ▶ Questions about billing for medical supplies? Contact Provider Inquiry at 907.644.6800, option 1, 1, or toll-free in Alaska at 800.770.5650, option 1, 1, 1.

Forms For Claim Submission of DME Claims

CMS 1500 form

- Claims should be submitted on a CMS-1500 paper form that includes:
 - Patient information
 - Provider's name and NPI number
 - ICD-10 diagnosis code(s)
 - Relevant CPT codes
 - Date of service
 - Drug/ DME name
 - HCPCS code and HCPCS units dispensed
 - Diabetic test strips HCPCS code is A4253 and 1 HCPCS unit = 50 strips
 - Diabetic lancets HCPCS code is A4259 and 1 HCPCS unit = 100 lancets
 - Glucose monitor HCPCS E0607

The image shows a CMS-1500 Health Insurance Claim Form. Three callout boxes highlight specific sections:

- Patient demographic information (Red box):** This box encompasses the top portion of the form, including fields for patient name, date of birth, sex, address, and insurance information.
- Information about the patient's visit to the doctor (diagnosis, procedures, etc.) (Green box):** This box highlights the middle section of the form, including fields for date of service, procedure codes (CPT), diagnosis codes (ICD-10), and a table for listing services and charges.
- Information about the doctor (Purple box):** This box highlights the bottom section of the form, including fields for provider name, NPI number, and service facility location information.



HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE (NUCC) 02/12

PICA PICA

1. MEDICARE (Medicare #) MEDICAID (Medicaid #) TRICARE (ID#/DoD#) CHAMPVA (Member ID#) GROUP HEALTH PLAN (ID#) FECA BLK LUNG (ID#) OTHER (ID#)
1a. INSURED'S I.D. NUMBER (For Program in Item 1)
060xxxxxxx (Patient Medicaid ID)

2. PATIENT'S NAME (Last Name, First Name, Middle Initial) **LAST, FIRST MI**
3. PATIENT'S BIRTH DATE (MM | DD | YY) **01 | 01 | 60** SEX M F

4. INSURED'S NAME (Last Name, First Name, Middle Initial) **LAST, FIRST MI**
5. PATIENT'S ADDRESS (No., Street) **123 MAIN ST**
6. PATIENT RELATIONSHIP TO INSURED Self Spouse Child Other
7. INSURED'S ADDRESS (No., Street) **123 MAIN ST**

CITY STATE
ANCHORAGE AK

ZIP CODE TELEPHONE (Include Area Code)
99507 (907) 123-4567

8. RESERVED FOR NUCC USE
9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial) **LAST, FIRST MI**
10. IS PATIENT'S CONDITION RELATED TO:
11. INSURED'S POLICY GROUP OR FECA NUMBER **123 (Other Insurance Policy)**

a. OTHER INSURED'S POLICY OR GROUP NUMBER **2D12PPxxxxx (Other Insurance ID)**
a. EMPLOYMENT? (Current or Previous) YES NO

b. RESERVED FOR NUCC USE
b. AUTO ACCIDENT? YES NO PLACE (State) _____
c. RESERVED FOR NUCC USE
c. OTHER ACCIDENT? YES NO

d. INSURANCE PLAN NAME OR PROGRAM NAME **MEDICARE**
10d. CLAIM CODES (Designated by NUCC)

d. IS THERE ANOTHER HEALTH BENEFIT PLAN? YES NO If yes, complete items 9, 9a and 9d.

12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below.
Signature on file
13. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below.
Signature on file

SIGNED **Signature on file** DATE **01/03/2020**
SIGNED **Signature on file**

CARRIER ↑ PATIENT AND INSURED INFORMATION ↓

SECOND FOLD ↑

10-ENV-SS

FIRST FOLD WHCF-10-ENV / WHCF

14. DATE OF CURRENT ILLNESS, INJURY, or PREGNANCY (LMP) MM DD YY QUAL.			15. OTHER DATE MM DD YY QUAL.			16. DATES PATIENT UNABLE TO WORK IN CURRENT OCCUPATION FROM MM DD YY TO MM DD YY					
17. NAME OF REFERRING PROVIDER OR OTHER SOURCE DK JOHN DOE (Ordering)			17a. 1234512345 (Ordering)			18. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES MM DD YY TO MM DD YY					
19. ADDITIONAL CLAIM INFORMATION (Designated by NUCC) Item name, ProdCode, Instructions, Month supply dates						20. OUTSIDE LAB? \$ CHARGES <input type="checkbox"/> YES <input type="checkbox"/> NO					
21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY. Relate A-L to service line below (24E) A. E11.9 B. C. D. E. F. G. H. I. K. L.						22. RESUBMISSION CODE ORIGINAL REF. NO.					
23. PRIOR AUTHORIZATION NUMBER											
24. A. DATE(S) OF SERVICE From To MM DD YY MM DD YY		B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS MODIFIER		E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
1 01 03 20 01 03 20 12				E0607		A	150 50	1		NPI	1234567890
2										NPI	
3										NPI	
4										NPI	
5										NPI	
6										NPI	
25. FEDERAL TAX I.D. NUMBER 987654321		SSN EIN <input type="checkbox"/> <input checked="" type="checkbox"/>		26. PATIENT'S ACCOUNT NO. ABC123		27. ACCEPT ASSIGNMENT? (For govt. claims, see back) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		28. TOTAL CHARGE \$ 150 50		29. AMOUNT PAID \$ 15 00	
30. Rsvd for NUCC use				31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)				32. SERVICE FACILITY LOCATION INFORMATION DME PROVIDER (Rendering) 456 A ST ANCHORAGE, AK 99502-1234			
								33. BILLING PROVIDER INFO & PH # DME PROVIDER (Billing) 789 B ST ANCHORAGE, AK 99506-7890			
SIGNED signature on file DATE 1/3/20				a. 1234567890				b. 9876543210			

PHYSICIAN OR SUPPLIER INFORMATION

Prospective Drug Utilization Review Edits

- ▶ SUPPORT Act of 2018, certain pharmacy provisions became effective mandatory October 1, 2019
- ▶ Prospective edits for opioids were deployed in the Medicaid system
- ▶ A cumulative Morphine Milligram Equivalent (MME) was initially set at 300 MME, Patients with an MME greater than the established limit will require prior authorization to determine medical necessity.
 - ▶ The MME level will decrease by 50 MME every 6 months to allow for tapering (i.e. 300, 250, 200, etc.) to a goal MME of 90, as recommended by the CDC
 - ▶ Next scheduled reduction to 250 MME will occur **March 1, 2020**

Prospective Drug Utilization Review Edits

- ▶ Concurrent use of benzodiazepines or antipsychotics with opioids increases the chance of negative outcomes and may cause hypotension, profound sedation, respiratory depression, coma, and death
- ▶ Monitoring of these interacting claims was mandated by the SUPPORT Act
- ▶ Edits for opioids and benzodiazepines

- ▶ Pharmacist level overrides are available after consultation with the prescriber

DD	M0	1B
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- ▶ Edits for opioids and antipsychotic drugs

- ▶ Pharmacist level overrides are available for the interacting opioid

DD	M0	1B
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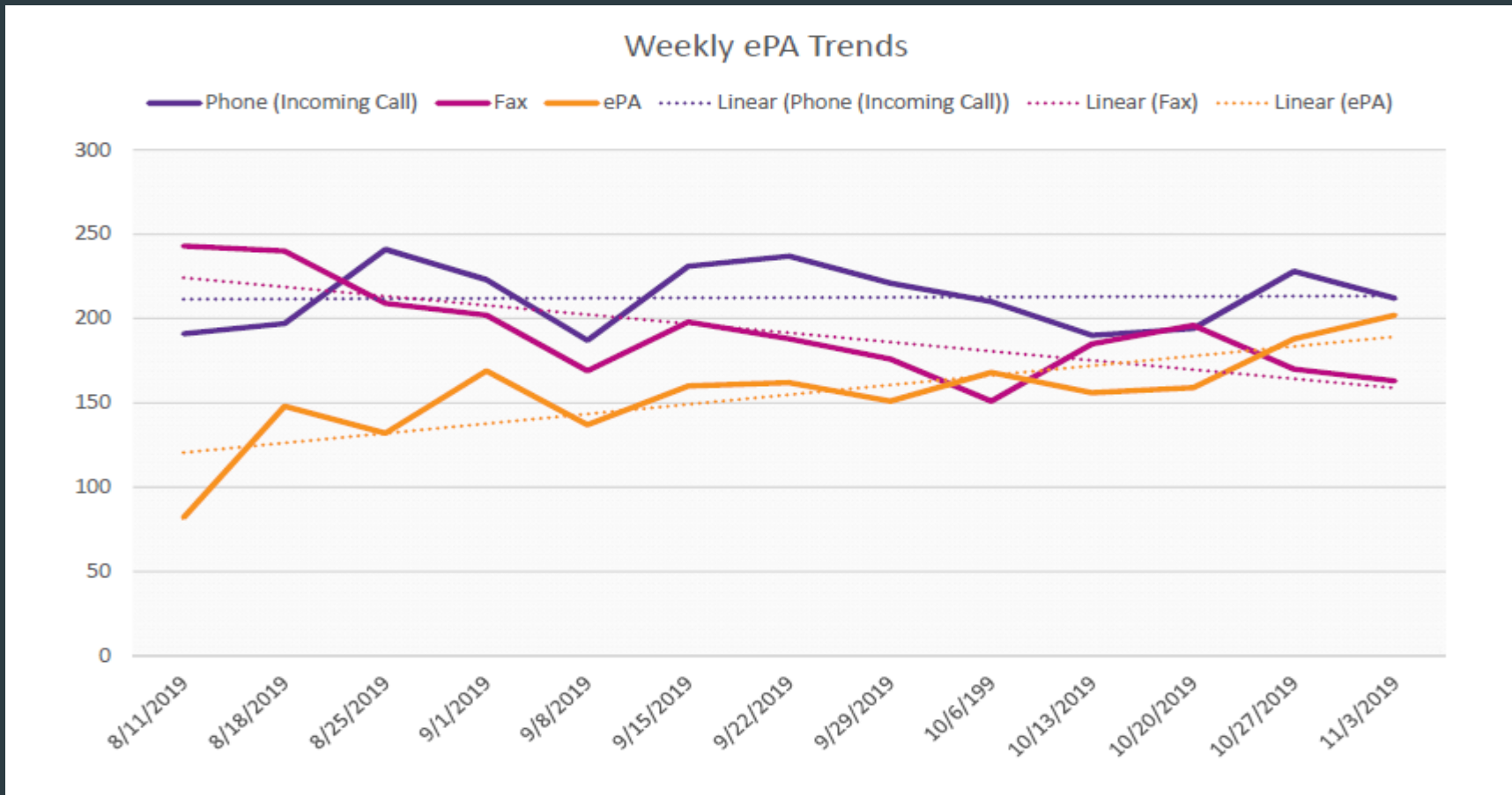
- ▶ Pharmacist level overrides for the antipsychotics

DD	P0 or M0	1B
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- ▶ If co-administration is required, consider a dosage reduction of one or both agents

Electronic Prior Authorization (ePA)

- ePA went live August 2019; upward trend
- Most pharmacies using CoverMyMeds to access



Where To Find Program Rules and Updates

- ▶ Medicaid Pharmacy Medication Prior Authorization Webpage
<http://dhss.alaska.gov/dhcs/Pages/pharmacy/medpriorauthoriz.aspx>
 - ▶ Preferred Drug List
 - ▶ Prior Authorization and Interim Prior Auth List and Criteria
 - ▶ Maximum Units List
- ▶ Program Updates
<http://manuals.medicaidalaska.com/docs/pharmacy.htm>
<https://www.medicaidalaska.com/portals/wps/portal/NewsLetters>
- ▶ Billing Manuals (Health Enterprise)
<http://manuals.medicaidalaska.com/>
- ▶ DME/Medical Supplies Billing
<http://manuals.medicaidalaska.com/dme/dme.htm>

Knowledge Assessment - Questions

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 - ❑ True
 - ❑ False

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Knowledge Assessment - Answers

- ▶ 1) To be a covered outpatient drug, a medication must be one for which federal Medicaid matching funds are available.

True - To be a covered drug, the company must enter into the Medicaid Drug Rebate Program (MDRP).

- ▶ 2) Glucose meters or aerochambers (durable medical equipment (DME) and medical supply items) that do not pay at the Pharmacy point of sale are not covered by Medicaid.

False - A CMS 1500 form may be filled out and submitted for payment.

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State Of The Alaska Medicaid Program

Questions?

