

RxUpdate

STAR Health Program Begins April 1, 2008

On April 1, 2008, the Texas Health and Human Services Commission (HHSC) launched STAR Health, a new health-care program to improve services and better coordinate care for children in foster care.

When children are taken into state conservatorship, they will be issued Temporary Medicaid Eligibility Verification ID card (Form 1027-A) or a Department of Family and Protective Services (DFPS) Designation of Medical Consenter form (Form 2085B or 2085C) that will include either a Medicaid ID number or a DFPS number. Pharmacies will be allowed to submit prescription claims with the DFPS number immediately, without having to wait for a Medicaid ID to be assigned. Once assigned, the Medicaid ID will be returned to the pharmacy on the point-of-sale response.

When transmitting claims, pharmacies should submit the following values to indicate that they are using the DFPS number:

- Enter the DFPS number in "Cardholder ID" (Field 302-C2). The DFPS number is a total of 16 digits long, including leading zeros followed by 6 to 8 digits.
- Enter "8" in "Prior Authorization Type Code" (Field 461-EU).
- Enter "1027" in "Prior Authorization Number Submitted" (Field 462-EV).

Further details are available at txvendordrug.com/STARHealth.html.

Comprehensive Care Program Assists Medicaid Children

The HHSC Comprehensive Care Program (CCP) provides services for Medicaid children less than 21 years of age. Medications not covered by the Vendor Drug Program are considered on a case-by-case basis by the program. As an expansion of the Texas Health Steps (THSteps) service, CCP also covers some durable medical equipment (DME) and supplies commonly found in pharmacies.

Pharmacies should inform the family or the physician that if Medicaid does not cover a drug, equipment, or supply, the family can request coverage through CCP. A letter of medical necessity and prior authorization from the physician are required for consideration. If the client is in a Medicaid Health Plan (Health Maintenance Organization or the Texas Health Network), the plan must provide the letter of medical necessity and prior authorization in order to be considered for coverage.

For prior authorization or information on THSteps-CCP Services for Medicaid clients not in a Medicaid HMO, please contact 1-800-846-7470.

High-volume Pharmacies to Educate Employees about Medicaid Fraud

As directed by Section 6032 of the Federal Deficit Reduction Act (DRA) of 2005, effective January 1, 2007 all providers and other entities that receive or make annual Medicaid payments of \$5 million or more must educate their employees, contractors, and agents about federal and state fraud and false claims laws, and the whistleblower protections available under those laws.

Further details are available at

hhsc.state.tx.us/medicaid/Provide_Notification.pdf.

From the Director:

Thank you to our Medicaid pharmacies in San Angelo who provided hundreds of prescription drugs to children that were removed from the FLDS compound in Eldorado. Your willingness to dispense drugs before the children's Medicaid eligibility was verified demonstrated your compassion and trust. You made a positive difference during a difficult situation.

Texas must complete a cost of dispensing study to obtain final approval from the Centers for Medicare and Medicaid Services (CMS) for the dispensing fee increase that was implemented September 2007. HHSC enlisted the services of the UT Center for Pharmacoeconomic Studies to complete the study. Pharmacies will receive a packet this month that includes a questionnaire about your prescription department costs. It is imperative for Pharmacies to complete and return the questionnaire within 30 days.

We truly appreciate your partnership,

Andy Vasquez

**HHSC Medicaid/CHIP Division
Deputy Director, Vendor Drug Program**

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Do you know how to submit an Emergency Override of a prior authorization-required drug?

Federal and Texas law requires that a 72-hour emergency supply of a prescribed drug be provided when a medication is needed without delay and prior authorization (PA) is not available. This rule applies to non-preferred drugs on the Preferred Drug List and any drug that is affected by a clinical or therapeutic PA edit and would need the prescriber PA.

The 72-hour emergency supply should be dispensed any time a prior authorization is not available and a prescription must be filled, for any medication or medical condition. If the prescribing provider cannot be reached or is unable to request a PA, the pharmacy should submit an emergency 72-hour prescription.

This procedure should not be used for routine and continuous overrides. A 72-hour emergency prescription will be paid in full, and it does not count toward the three-prescription limit for adults who have not already received their maximum prescriptions for the month (there is no prescription limit for children under 21). To submit a claim, pharmacies should supply the following information:

- “8” in “Prior Authorization Type Code” (Field 461-EU).
- “801” in “Prior Authorization Number Submitted” (Field 462-EV).
- “3” in “Days Supply” (in the Claim segment of the billing transaction) (Field 405-D5).
- The quantity submitted in “Quantity Dispensed” (Field 442-E7) should not exceed the quantity necessary for a three-day supply according to the directions for administration given by the prescriber. If the medication is a dosage form that prevents a three-day supply from being dispensed, e.g. an inhaler, it is still permissible to indicate that the emergency prescription is a three-day supply, and enter the full quantity dispensed.

Additional information regarding the Preferred Drug list is online at txvendordrug.com/pt/PDL_Program.html.

These instructions are available for downloading and displaying in your pharmacy for reference. Please reproduce the information at the following link for staff education: txvendordrug.com/72HourOverride.html.

Using Tamper-resistant Prescription Pads with Vendor Drug Program Claims

The Federal Centers for Medicare and Medicaid Services (CMS) has announced a deadline of April 1, 2008, for Medicaid providers to begin using **tamper-resistant prescription pads**. The regulation will apply to all written prescriptions submitted for payment through the Vendor Drug Program but will not apply to prescription orders sent to a pharmacy electronically or by telephone or fax.

For a prescription to be considered tamper-resistant by CMS, the pad must meet all three of the following characteristics:

- Prevents unauthorized copying of completed or blank prescription forms.
- Prevents erasure or modification of information written on the prescription form.
- Prevents the use of counterfeit prescription forms.

In the January 2008 issue of the *Rx Update*, Vendor Drug stated that there would be a CMS-defined grace period, during which prescription pads would only be required to meet one of the three tamper-resistant pad characteristics. However, Texas will not implement the grace period. At the request of several state and national pharmacy associations and medical associations, Texas agreed to require written Medicaid prescriptions to meet all three of the characteristics by April 1, 2008.

Upon request, HHSC will help educate prescribers who continue to use prescription paper that does not meet the new federal guidelines. If you believe HHSC’s educational assistance may benefit a prescriber’s compliance with the new federal law, complete the Texas Medicaid TRPP Compliance Referral form, and fax it to HHSC at the number listed on the form. Further details, including the Compliance Referral form, are available on at txvendordrug.com.

Pharmacies Must Ensure Proper Quantities Billed

Pharmacies must bill the Vendor Drug Program for the amount actually dispensed at the point of sale. The Pharmacy Resolution Desk cannot override quantities that are more than the prescriber designated on the prescription. **Section 7100 Submission of Claims** in the Pharmacy Provider Handbook states:

Providers must dispense the quantity prescribed or ordered by the prescriber except as limited by the policies and procedures described in the Pharmacy Provider Handbook. Where actual quantity dispensed deviates from the prescribed quantity, the provider must bill for the amount actually dispensed.

National Provider Identifier (NPI) Conversion

The Centers for Medicare and Medicaid Services (CMS) requires the pharmacy National Provider Identifier (NPI) to be submitted on all standard electronic transactions beginning May 23, 2008. Failure to use the pharmacy provider's NPI number on claims submitted to the Texas Vendor Drug Program will cause claims to be rejected after May 22, 2008. Claims will also reject if the pharmacy NPI number is not on file with the Texas Vendor Drug Program at the time the claim is submitted.

The NPI number must be entered in the "Service Provider ID" field (Field 201-B1) in place of the National Council for Prescription Drug Program (NCPDP) number. The "Service Provider ID Qualifier" (Field 202-B2) value should be "01" for the NPI number. Please make sure your software provider has updated your pharmacy NPI information on all your electronic transmissions for Texas Medicaid, CHIP, KHC, and CSHCN. Note: the Prescriber NPI should not be submitted on prescription claims; pharmacies should continue to submit the prescriber's license number.

If you have any questions about the NPI, contact your software provider or the Vendor Drug Pharmacy Resolution Desk at 1-800-435-4165. Further instructions about applying for an NPI are available at txvendordrug.com.

Prior Approvals for CSHCN Services Program

The Children with Special Health Care Needs (CSHCN) Services Program prior approvals are required from the Vendor Drug Program on **Growth Hormones**, **Pulmozyme**, aerosolized **Tobramycin (TOBI)**, and **Human Immunodeficiency Virus (HIV)** medications.

Growth Hormones are covered for the treatment of clients with specific diagnoses involving growth hormone deficiency. Requests for prior approval must be submitted to Vendor Drug by a program-approved endocrinologist using the "Growth Hormone Approval Request Form" at txvendordrug.com/priocrit.html. If an initial or extension request cannot be approved based on the above criteria, the approval request may be sent for medical review and reconsideration to the CSHCN Services Program.

Pulmozyme is covered for the treatment of cystic fibrosis as prescribed by a program-approved pulmonologist, and may be initially authorized for a six-month period, with subsequent authorizations for one year, but only one month's supply may be dispensed at a time. **Tobramycin (TOBI)** is covered for the treatment of cystic fibrosis as prescribed by a program-approved pulmonologist, and is limited to an administration cycle of 28 days of treatment followed by 28 days with no TOBI treatment. An approved prescribing physician must complete and sign the "Pulmozyme and TOBI Medical Information Form" annually certifying that the client continues to require these medications. The form is available online at txvendordrug.com/priocrit.html. Please note a separate form is required for Pulmozyme and TOBI.

HIV medications are granted a prior approval period of 60 days while awaiting acceptance or denial from the Texas HIV Medication Program. After the 60 days, clients must contact the HIV Program to obtain HIV medications. If the client is not eligible for the HIV Program, CSHCN should be notified.

Blood Factor products for CSHCN clients are no longer billed through the Vendor Drug Program and should be submitted through the Texas Medicaid & Healthcare Partnership (TMHP). The authorization form is online at tmhp.com/File%20Library/File%20Library/Provider%20Forms/CSHCN/Hemo_Blood_Factor_Auth.pdf.

CSHCN Services Program Third Party Insurer Co-Pay Reimbursement

The Children with Special Health Care Needs (CSHCN) Services Program is payer of last resort. If a CSHCN client pays a fixed drug co-pay assessed by a third party insurer, the client may request reimbursement for the co-pay from CSHCN. A copy of the receipt from the pharmacy, showing the co-pay paid by the client, must be mailed to: TMHP; Client Correspondence; PO Box 202018: Austin, TX 78720-2018. TMHP will mail the co-pay reimbursement directly to the client. CSHCN does not reimburse the drug co-pays assessed by the Children's Health Insurance Program (CHIP).

Pass Along Savings from Pharmacy Prescription Discount Plans

Based on requirements in the Texas Administrative Code, pharmacies that use a prescription discount plan (such as the Wal-Mart \$4 Rx Program) or who actively match the plan prices, should reflect the discounted prices in their Medicaid prescription claims. The discounted prices should be submitted in the Usual and Customary price for claims paid by Texas Medicaid, CHIP, CSHCN, and KHC. For plans that require membership, pharmacies are asked to enroll all of their Medicaid and other state program patients. Requiring a special identification card does not disqualify Medicaid clients from receiving the discounted pricing.

New Clinical Prior Authorization Edits Implemented

Clinical PA edits for the following Drugs were implemented February 26, 2008:

- Lo-Dose Seroquel
- Leukotriene Antagonists (Singulair, Accolate)

Clinical details of these edits is on-line at: txvendordrug.com/pt/Clinical_EditList.html.

Preferred Drug List update

The semi-annual updating of the Texas Medicaid Preferred Drug List (PDL) will occur in July 2008. A list of the changes and the date of implementation will be posted on the Vendor Drug website: txvendordrug.com/pt/PDL_Program.html.

Reminder: Pharmacies can be Reimbursed for DME

Pharmacies are encouraged to provide durable medical equipment (DME) and medical supplies to Medicaid clients. Reimbursement for DME is different from drug claims; pharmacy providers must enter into a separate written agreement with HHSC, through the Texas Medicaid & Healthcare Partnership (TMHP). Download the TMHP Provider Enrollment Application at tmhp.com. Some clients are enrolled in Medicaid managed care health plans and, for those clients, pharmacies must enter into a contract with their individual health plans to be reimbursed for DME and medical supplies.

Reminder: On-line Education Credit Course

The Texas Health and Human Services Commission has a computer-based training opportunity for pharmacies to receive FREE continuing education credit. This is another way to educate staff about Medicaid pharmacy benefits (particularly for children under 21) and how to get reimbursed. Providers can access the training at txhealthsteps.com.

Vendor Drug Pharmacy Provider Procedure Manual

The April 2008 update is available at txvendordrug.com.

Medicaid/CHIP Vendor Drug Program (H-630)
Health and Human Services Commission
P.O. Box 85200
Austin, Texas 78708-5200

PERIODICAL

Vendor Drug Program, H-630
Health and Human Services Commission
P.O. Box 85200
Austin, Texas 78708-5200

Pharmacy Resolution Desk

1-800-435-4165

This number is for pharmacy providers only

Mon.-Fri., 8:30 AM to 5:15 PM CT

Fax numbers:

Main	512-491-1959
Pharmacy Resolution	512-491-1958
Formulary	512-491-1961
DUR	512-491-1962

Medicaid/CHIP Contract Management, H-330

Fax 512-491-1972

Vendor Drug Program Website

txvendordrug.com

Other useful numbers

Health and Human Services Commission Helpline	1-800-335-8957
CHIP Pharmacy Line	1-866-274-9154
CHIP Client Eligibility	1-800-647-6558
CCP-Diabetic and Medical Supplies	
Pharmacy only	1-800-846-7470
Clients only	1-800-252-8023
Texas Prior Authorization Call Center	1-877-PA-TEXAS (1-877-728-3927)
Kidney Health Care (KHC)	1-800-222-3986
Children with Special Health Care Needs (CSHCN) Services Program	1-800-252-8023
Reporting Fraud, Waste & Abuse	1-800-436-6184

HHS News Service

The Texas Health and Human Services subscription e-mail service makes it easier for the public to keep up-to-date on the latest news and information about health and human services, including the Medicaid/CHIP Vendor Drug Program. Those who opt to receive Vendor Drug notices will receive an e-mail message when information is published that impacts pharmacy providers, including: issues that affect payment, special bulletins, updates to the Preferred Drug List, and new issues of the *Rx Update*. Interested parties can sign up for this service via the Vendor Drug Program website.

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News & Information from the
Texas Medicaid/CHIP Vendor Drug Program
www.txvendordrug.com