

Texas Vendor Drug Program **Pharmacy Provider Procedure Manual**

Enrollment

May 2018

The Pharmacy Provider Procedure Manual (PPPM) is available online at txvendordrug.com/about/policy/manual.



TEXAS
Health and Human
Services

*Medical and
Social Services*

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1 Enrollment Guidelines

Any pharmacy provider that wants to participate in Texas Medicaid must be enrolled with HHSC prior to providing outpatient prescription services. Pharmacies must also be enrolled with Texas Medicaid prior to participation in any Medicaid or CHIP managed care network.

Claim payment cannot be guaranteed until completion of a fully executed enrollment, indicating the pharmacy meets the Medicaid program's standards for participation. Pharmacy providers can submit claims for fee for service prescriptions filled on or after the effective date of enrollment.

1.1 Programs

Enrollment as a Medicaid pharmacy provider is a prerequisite for participation in any of the following programs administered by HHSC, including Medicaid or CHIP managed care:

- Children's Health Insurance Program (CHIP)
- Children with Special Health Care Needs (CSHCN) Services Program
- Healthy Texas Women (HTW) Program
- Kidney Health Care (KHC) Program

To participate in the Medicaid or CHIP managed care networks, pharmacy providers should contact the managed care organization (MCO) in each service area for information about their pharmacy benefits manager (PBM). MCOs must allow any Medicaid-enrolled pharmacy provider willing to accept the terms and conditions of the MCO/PBM contract to enroll in their network.

2 Enrollment Forms

Applications or forms are to be mailed to HHSC. The applications or forms are not accepted electronically. Refer to the "Pharmacy Enrollment and Support" section of the [Contact Information](#) chapter of the PPPM for the mailing address. All documents must be signed by persons authorized to execute legal instruments for

the pharmacy provider. Download the Pharmacy Enrollment Forms from the "Downloads" page at txvendordrug.com/resources/downloads.

2.1 Pharmacy Provider Enrollment Application

The Texas Medicaid Pharmacy Provider Enrollment Application ("Application") must be completed in its entirety as outlined in its instructions. The Application document alone does not authorize participation and creates no obligation on the part of HHSC, Medicaid, CHIP, HTW, KHC, or CSHCN programs.

2.2 Pharmacy Provider Enrollment Agreement

The Texas Medicaid Pharmacy Provider Enrollment Agreement ("Agreement") must be completed in its entirety.

2.3 Required Supplemental Forms

2.3.1 Application for Texas Identification Number

The Application for Texas Identification Number (CPA Form AP-152) is created by the Texas Comptroller of Public Accounts. Completed forms should be submitted to HHSC.

2.3.2 Direct Deposit Authorization

The Direct Deposit Authorization (CPA Form 74-176) is created by the Texas Comptroller of Public Accounts. Pharmacy staff that want to receive their weekly pharmacy payment by direct deposit must complete this form. The form is also used to change bank information, such as financial institution, account number, or cancellation of account. An account change will result in the pharmacy provider receiving paper warrants until the process is completed. Completed forms should be submitted to HHSC.

2.3.3 Child Support Certification Form

The Child Support Certification (HHSC Form 1903) must be completed and submitted by sole proprietorships, partnerships, entities with shareholders, or entities with an owner who has an ownership interest of at least 25 percent of the business entity. Completed forms should be submitted to HHSC.

2.3.4 Certification Regarding Debarment

The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion for Covered Contracts (HHSC Form H2046) screens each covered potential contractor to determine whether it has a right to obtain a contract in accordance with federal regulations on debarment, suspension, ineligibility, and voluntary exclusion. Each covered contractor must also screen each of its covered subcontractors. Completed forms should be submitted to HHSC.

2.3.5 Certification Regarding Federal Lobbying

The Certification Regarding Federal Lobbying (HHSC Form H2047) is required. Completed forms should be submitted to HHSC.

2.3.6 Pharmacy Electronic Remittance Advice Agreement

The Pharmacy Electronic Remittance Advice Agreement (HHSC Form 1316) provides access to the VDP Payment File Portal (PFP), a browser-based portal to obtain pharmacy remittance advice files. All VDP-enrolled pharmacy providers are eligible to create a free account. Refer to the [Pharmacy Provider Payment](#) chapter of the PPPM to learn more about pharmacy payment and the PFP. Completed forms should be submitted to HHSC.

2.3.7 Pharmacy Eligibility Verification Portal Access Form

The Pharmacy Eligibility Verification Portal Access Form (HHSC Form 1317) provides access to the VDP Eligibility Verification Portal (EVP), a browser-based application used to obtain a person's enrollment status, pharmacy benefits and managed care participation. All VDP-enrolled pharmacy providers are eligible to create a free account. Refer to the "Pharmacy Verification of Eligibility" section of the [Eligibility](#) chapter of the PPPM to learn more about the EVP. Completed forms should be submitted to HHSC.

2.3.8 Ownership Transfer Affidavit

The Ownership Transfer Affidavit (HHSC Form 1332) is required. Completed forms should be submitted to HHSC.

2.3.9 Other Supporting Documentation

Dependent on the pharmacy business setup, other supporting documents, in addition to those listed in Section 2.3 above, may be required as noted in the Application instructions.

2.4 Enrollment Review Process

Pharmacy providers must complete and submit, as a packet, the Application, Agreement, all required forms, and supporting documents for each physical location seeking enrollment. The completed Application, Agreement, all required forms and supporting documents are reviewed by HHSC staff to determine if the pharmacy meets the agency's standards for participation. This includes:

- Review of the criminal history, if any, of the owners and managing staff
- Conduct ACA required enrollment database checks
- Review of any disciplinary orders from licensing boards

If the pharmacy provider, its owners and/or its managing staff are determined eligible, a six-digit vendor ID number will be assigned and a copy of the executed Agreement will be sent to the pharmacy.

2.5 Enrollment Effective Date

The pharmacy's enrollment effective date will be when the pharmacy provider's Application is deemed approved, meaning it meets the HHSC standard for participation. The executed Agreement will be sent to the pharmacy upon successful enrollment, with Section 4 noting the enrollment effective date and Section 5 noting the enrollment expiration date. HHSC does not retroactively enroll pharmacy providers.

Enrollment is not transferable or assignable. In cases of a change of ownership or control, owner must notify HHSC at least 15 business days prior to the change of ownership or control taking effect. HHSC does not perform retroactive changes of ownership in regard to the Agreement.

3 Delivery Incentive

3.1 Vendor Drug Program

Pharmacy providers that offer no-cost delivery services to people eligible for Medicaid are eligible for the delivery incentive. HHSC will pay a delivery incentive in the amount stated in the Medicaid State Plan for each prescription that is paid by HHSC. The delivery incentive only applies to filled prescriptions for which HHSC

pays the claims. The delivery incentive in managed care is governed by the contracts between the managed care organizations and the pharmacy provider.

Conditions for payment of the delivery incentive are:

- The pharmacy provider must advertise to eligible people the availability of the no-charge prescription service;
- The pharmacy provider must display the HHSC-approved delivery sign in a prominent place in the store (e.g., window, door);
- Delivery must be made to the Medicaid-eligible people in the same manner and degree as to the general public.

This delivery incentive will not be paid for:

- Over-the-counter (OTC) drugs, even if those OTC drugs are prescribed as a Medicaid benefit.
- Medicaid-eligible people residing in a nursing home or other similar group facilities.
- Claims for vitamin and mineral products and home health supplies.

A pharmacy approved for this incentive will receive the HHSC Delivery Sign as part of its welcome packet. The sign measures 8.5 inches by 5.5 inches, is written in both English and Spanish, and displays the HHSC logo. The sign is also available for download from txvendordrug.com/resources/downloads.

Refer to the [Pharmacy Provider Payment](#) chapter of the PPPM to learn more about how the delivery incentive is applied during the pharmacy reimbursement calculation.

3.2 Managed Care

Managed care organizations (MCO) pay local pharmacies to deliver pharmaceuticals to Medicaid-eligible people. Each MCO develops its own participating pharmacy network for this delivery service. Pharmacy staff who are interested in receiving payment for the delivery of prescriptions to managed care members should contact the MCO to request information on how to apply.

4 Pharmacy Operations

4.1 Maintaining Enrollment

In accordance with the Agreement (Part 3, Subpart E), enrolled pharmacy providers must notify the state in writing of any changes, such as billing and/or physical addresses, phone and fax numbers, key personnel (such as change in ownership or control), changes in financial information (such as direct deposit), or store closure. Please refer to the Agreement for all requirements of enrollment update submissions.

Failure to update your enrollment information could result in your claims being placed on vendor hold. Pharmacy staff should fax updates on your pharmacy letterhead to HHSC. Refer to the "Pharmacy Provider Enrollment/Maintenance Correspondence" section of the [Contact Information](#) chapter of the PPPM to contact HHSC and VDP.

4.2 Retention of Records

All records and documents referenced in the Agreement (Part 3, Subpart G) must be retained for a minimum of five years from the date of service.

If any litigation, audit, review, or dispute resolution begins before the five-year period expires, the pharmacy provider must maintain all records until the process is concluded. Further, if any litigation, audit, review, or dispute resolution begins at a time when the pharmacy provider would have been otherwise authorized to destroy the records (e.g., five years and a day after the date of service) and pharmacy provider still has the records, the pharmacy provider must maintain those records until the process concludes. For purposes of record retention, the process is concluded only after HHSC provides written notification that the process and issue is permanently resolved.

4.3 Termination for Inactivity

Enrollment will be terminated for pharmacy providers that have been inactive with no claim payment within a continuous twelve-month period. If the pharmacy provider's enrollment is terminated because of inactivity, the pharmacy provider must reapply to the VDP by submitting a new enrollment application for reinstatement.

4.4 Software Vendor

The pharmacy's software vendor must support the current NCPDP standard and register with the Vendor Drug Program to obtain a Software Vendor/Certification ID. Pharmacy providers should ensure their software vendor supports "Additional Message Information" (Field 526-FQ) in the NCPDP response.

Refer to the [System Requirements](#) chapter of the PPPM to learn more about the National Council for Prescription Drug Programs (NCPDP) standards for pharmacy claim transactions.

4.5 High-Volume Fraud Education Requirement

Federal law requires all pharmacy providers that receive or make annual Medicaid payments of \$5 million or more to educate their employees, contractors, and agents about fraud and false claims laws and the whistleblower protections available under those laws.

4.6 Pharmacy Provider Revalidation

In compliance with the Affordable Care Act, enrolled pharmacy providers are required to revalidate their enrollment every five years. Pharmacy providers will be notified that they are required to revalidate before their revalidation deadline. The ACA screening criteria applies during revalidation. Pharmacy providers that do not revalidate their enrollment by the designated date will be disenrolled and will no longer receive reimbursement from Texas Medicaid.

4.7 Durable Medical Equipment Provider

Pharmacy staff are encouraged to enroll as a durable medical equipment (DME) provider in order to provide the full array of durable medical equipment and supplies. Pharmacy providers that wish to enroll as a DME provider must contact the Texas Medicaid & Healthcare Partnership (TMHP). Pharmacy staff must complete an application from the TMHP "Provider Enrollment" website to enroll.

Refer to the "Texas Medicaid and Healthcare Partnership" section of the [Contact Information](#) chapter of the PPPM to enroll as a DME provider.

4.8 Medicaid Comprehensive Care Program (CCP)

The Medicaid Comprehensive Care Program (CCP) covers medically necessary drugs and supplies that are not available through VDP for fee-for-service Medicaid-eligible people up to 20 years of age. Pharmacy staff should inform the family or physician that they can request coverage through CCP.

Refer to the "Texas Medicaid and Healthcare Partnership" section of the [Contact Information](#) chapter of the PPPM to enroll as a CCP provider.

Pharmacy staff should inform the family (or physician) to contact the person's managed care organization for that plan's specific comprehensive program coverage and procedures.