

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

About the Vendor Drug Program

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



TEXAS
Health and Human
Services

*Medical and
Social Services*

Table of Contents

Table of Contents	1
1 Pharmacy Provider Procedure Manual	2
2 About the Vendor Drug Program	3
2.1 Mission Statement	3
2.2 History	3
2.3 Programs	4
2.3.1 Medicaid.....	4
2.3.2 Children's Health Insurance Program	4
2.3.3 Children with Special Health Care Needs Services Program	4
2.3.4 Healthy Texas Women Program.....	5
2.3.5 Kidney Health Care Program	5
2.4 Pharmacy Communication.....	5
2.4.1 HHSC Email Subscription Service.....	5
3 HIPAA Privacy Notice	6

1 Pharmacy Provider Procedure Manual

The Texas Vendor Drug Program **Pharmacy Provider Procedure Manual** (PPPM) is a comprehensive resource for pharmacy providers enrolled with the Texas Health and Human Services Vendor Drug Program (VDP). The PPPM contains information about benefits, policies, and procedures for outpatient pharmacy claims and rebate processing.

The PPPM is divided into the following chapters:

1. Introduction
2. Contact Information
3. Enrollment
4. Managed Care
5. System Requirements
6. Eligibility
7. Coordination of Benefits
8. Drug Policy
9. Home Health Supplies
10. Vitamin and Mineral Products
11. Drug Utilization Review
12. Prior Authorization
13. Pricing and Reimbursement
14. Health Resources Services Administration
15. Payment
16. Audits
17. Rebates

The PPPM incorporates and supersedes material previously published in, or as part of, the following documents:

- VDP Pharmacy Provider Procedure Manual
- VDP Provider Handbook
- VDP 340B Rebate Pharmacy Provider Procedure Manual

2 About the Vendor Drug Program

2.1 Mission Statement

The mission statement of the Texas Vendor Drug Program is to:

- Provide statewide access to covered outpatient drugs in an efficient and cost-effective manner.
- Provide quality pharmaceutical care for people enrolled in:
 - ▶ Medicaid (managed care and fee-for-service)
 - ▶ 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
- Effectively manage the drug manufacturer rebate programs to maximize rebate revenue.

2.2 History

Congress established the Texas Medical Assistance (Medicaid) Program under Title XIX of the Social Security Act of 1965 to pay medical bills for low-income persons who had no other way to pay for care. The program became effective on September 1, 1967, under the provisions of Title XIX (Medicaid) of the 1965 Amendments to the Social Security Act and SB 2, “The Medical Assistance Act of 1967.” The Texas Medicaid drug benefit has been an optional service available to all people enrolled in Texas Medicaid since September 1, 1971.

Table 1 - Texas VDP Milestones

Date	Event
September 1, 1971	Vendor Drug Program implemented.
July 1, 1993	Creation of in-house electronic claims management system to allow for online, real-time claim processing.
September 1, 1999	Outpatient drugs provided through the CSHCN and KHC Programs are paid through VDP.
March 1, 2002	Outpatient drugs provided through the CHIP program are paid through VDP.
February 23, 2004	Preferred drug list (PDL) implemented.

Date	Event
August 16, 2004	Clinical and therapeutic prior authorizations implemented.
January 1, 2006	Medicare Part D benefit implemented.
January 20, 2009	Real-time coordination of benefits implemented.
March 1, 2012	Most Medicaid managed care and all CHIP eligible clients receive prescription benefits through managed care organizations.

2.3 Programs

2.3.1 Medicaid

Medicaid is a state and federal cooperative program, authorized under Title XIX of the Social Security Act and Chapter 32 of the Texas Human Resources Code, that pays for certain medical and health care costs for people who qualify. Texas pharmacies that want to dispense outpatient prescriptions must enroll with HHSC prior to providing services to people enrolled in either a Medicaid managed care health plan or traditional Medicaid (fee-for-service). The type of Medicaid coverage a person gets depends on where the person lives and what kind of health issues the person has. VDP is responsible for outpatient prescriptions for people enrolled in traditional Medicaid.

2.3.2 Children's Health Insurance Program

Children in Texas without health insurance and who are not served by or eligible for other state-assisted health programs may be able to get low cost or free health coverage from the Children's Health Insurance Program (CHIP). Enrollment as a Medicaid pharmacy provider is a prerequisite for pharmacy participation in CHIP. HHSC manages the CHIP formulary but all CHIP services, including prescription benefits, are delivered through managed care medical and dental plans.

2.3.3 Children with Special Health Care Needs Services Program

The Children with Special Health Care Needs (CSHCN) Services Program helps children with special health-care needs and people of any age with cystic fibrosis with their medical, dental, and mental health care; prescriptions; case management; travel to health care visits; and insurance premiums. Enrollment as a Medicaid pharmacy provider is a prerequisite for pharmacy participation in the CSHCN Services Program.

2.3.4 Healthy Texas Women Program

The Healthy Texas Women (HTW) Program provides access to women's health and family planning services to eligible women, offering services to low-income women who are 15 through 44 years of age. VDP only reimburses pharmacy providers for the outpatient prescription products on the HTW formulary. Family planning drugs and supplies are exempt from the three prescriptions-per-month limit for up to a six-month supply. The program does not cover emergency birth control. Enrollment as a Medicaid pharmacy provider is a prerequisite for pharmacy participation in the HTW Program.

2.3.5 Kidney Health Care Program

The Kidney Health Care (KHC) Program helps people with end-stage renal disease get health care services, and helps with dialysis treatments, access surgery, prescriptions, travel to health care visits, and Medicare premiums. People eligible for Medicaid are not eligible for KHC drug benefits. Enrollment as a Medicaid pharmacy provider is a prerequisite for pharmacy participation in the KHC Program.

2.4 Pharmacy Communication

VDP provides program news and notices to enrolled pharmacies and stakeholders through email, fax, and the VDP website.

2.4.1 HHSC Email Subscription Service

The Texas HHSC Email Notification Service is used to send email notices to mailing list subscribers. Anyone may subscribe to the free service. To receive notices, users must actively subscribe or "opt in" to the service. During the subscription process, the user must provide an email address and a delivery preference and may enter an optional password to protect your preferences. Subscribers can then choose the topics of subscriptions that he or she wishes to receive. After subscribing, a validation email is sent to the user's email account. Users may change their subscription profile or unsubscribe from any mailing list at any time. Refer to txvendordrug.com/about/news/notices to learn more.

3 HIPAA Privacy Notice

The Health Insurance Portability and Accountability Act of 1996 (HIPAA – Public Law 104-191) provides, among other things, strong protection for personal health information. It gives people certain rights concerning their health information, sets boundaries on how it is used, establishes formal safeguards, and holds violators accountable. The HIPAA Privacy regulations went into effect on April 14, 2003.

Personal health information includes any health information whether verbal, written, or electronic, that is created, received, or maintained on behalf of the Vendor Drug Program. It relates to the past, present, and future physical or mental health of any person.

Protected Health Information (PHI) is available to you on a daily basis. You use it when you carry out your assigned tasks. PHI is health care data plus identifying information that allows someone using the data to tie the medical information to a particular person. Claims data, prior authorization information, and attachments such as medical records and consent forms, are all PHI.

Never release any PHI to anyone who does not have a need to know that information. If you are asked about the PHI of a person and you do not feel the person asking has a need to know, immediately refer the person asking to your supervisor. Questions about PHI should be directed toward your management.