



TEXAS
Health and Human
Services

Texas Vendor Drug Program Pharmacy Provider Procedure Manual

Introduction

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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. Vitamins and Minerals
11. Mosquito Repellent
12. Drug Utilization Review
13. Prior Authorization
14. Pricing and Reimbursement
15. 340B Resources
16. Payment
17. Audits
18. Rebates
19. Forms

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 of the Texas Vendor Drug Program is to:

- Provide statewide access to covered outpatient drugs and quality pharmaceutical care for people enrolled in Medicaid, the Children’s Health Insurance Program (CHIP), the Children with Special Health Care Needs Services Program (CSHCN), the Healthy Texas Women Program (HTW), and the Kidney Health Care Program (KHC) in an efficient and cost-effective manner;
- Manage the drug formulary, preferred drug list, clinician administered drug program, and rebate programs to maximize revenue, and;
- Manage the Texas Medicaid Electronic Health Record (EHR) Incentive/Promoting Interoperability (PI) Program, providing incentive payments to eligible Medicaid providers and hospitals when they adopt and meaningfully use certified electronic health record technology.

2.2 History

Congress established the Texas Medical Assistance Program, or Medicaid, 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 began Sept. 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 Sept. 1, 1971.

Table 1 - Texas VDP Milestones

Date	Event
Sept. 1, 1971	Vendor Drug Program begins
July 1, 1993	Creation of in-house electronic claims management system to allow for online, real-time claim processing
Sept. 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

Date	Event
Feb. 23, 2004	Preferred drug list
Aug. 16, 2004	Clinical and therapeutic prior authorizations
Jan. 1, 2006	Medicare Part D benefit
Jan. 20, 2009	Real-time coordination of benefits
March 1, 2012	Most Medicaid managed care and all CHIP eligible clients receive prescription benefits through managed care organizations
Nov. 1, 2017	Oversite of clinician-administered drug program

2.3 Rules and Statutes

Links to applicable rules and statutes associated with VDP, including Texas Administrative Code, Texas Government Code, and United States Code of Federal Regulations, are available online at txvendordrug.com/about/rules.

2.4 Programs

2.4.1 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 and pays for certain medical and health care costs for people who qualify. Texas pharmacies must enroll with HHSC prior to dispensing outpatient prescriptions to people enrolled in either Medicaid managed care or traditional Medicaid. The type of Medicaid coverage a person receives 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.

2.4.2 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 plans.

2.4.3 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.

2.4.4 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.

2.4.5 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.

2.5 Pharmacy Communication

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

2.5.1 HHSC Email Subscription Service

The Texas HHSC Email Notification Service is used to send email notices to subscribers. Anyone may subscribe to this 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 he or she wants 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 strong protection for personal health information. People have certain rights concerning their health information, including setting boundaries on how the information is used, establishing formal safeguards, and holding violators accountable. The HIPAA Privacy regulations went into effect on April 14, 2003.

Personal health information may be verbal, written, or electronic information is created, received, or maintained on behalf of VDP. It relates to the past, present, or future physical or mental health of any person.

Protected Health Information (PHI) is available to pharmacy staff daily. This includes any health care data plus any other identifying information allowing someone using the data to identify a specific person. This includes claims data, prior authorizations, and medical records and consent forms.

Pharmacy staff should never release this information to anyone who does not have a need to know the 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.