State of Maryland
Department of Health and Mental Hygiene
Parris N. Glendening, Governor - Martin P. Wasserman, M.D., J.D., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
Pharmacy Transmittal No. 160

Maryland Pharmacy Assistance Program
Transmittal No. 39

February 22, 1999

Physicians
Pharmacists

FROM: Martin P. Wasserman, M.D., J.D.
Secretary

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

New Medicaid Pharmacy Point-of-Sale (POS) System

On January 4, 1999 a new Pharmacy Point-of-Sale (POS) contract became effective with First Health Services Corporation. The new contract provides for many enhancements to the current system such as automatic preauthorization, improved third party liability collection procedures, Medicare cost avoidance, improved prospective drug utilization review procedures and a web page. Certain prescriptions such as anti-ulcer medications and some drugs under the Maryland Pharmacy Assistance Program currently require the physician to make notations for coverage. With the new system these requirements will be expanded and there will be better enforcement. Below is a listing of the new features in this transmittal.

Automatic Preauthorization

Effective January 4, 1999, the new system will automatically override the early refill edit on any prescription for a non-controlled substance having an increase in dose and a new prescription number.

H2 blockers & Proton Pump Inhibitors

Effective 60 days from the date of this transmittal, proton pump inhibitors are being added to the list of anti-ulcer medications requiring the diagnosis be written on the prescription by the prescriber for use beyond the acute treatment period for active ulcer. **The prescriber must write the diagnosis on the prescription for H2 blockers and proton pump inhibitors for use beyond 68 days of acute dose therapy**. Currently acute dose anti-ulcer H2 blocker drugs are denied based on the refill number. The new system has the capability of looking back at the prescription history to determine the length of time at the acute dose level. When effective, prescriptions at the acute dose for H2 blocker and proton pump inhibitor medications will deny when used more than 68 days in any 100 day period. If the pharmacist receives a denial for one of these prescriptions he should call the First Health help desk. The help desk will ask for verification that the correct diagnosis is on the prescription and preauthorize the prescription to allow adjudication on-line. If the pharmacist cannot document the proper diagnosis, the pharmacist will be told to call the State at 410-767-1693. Below is a list of the acute dosage levels and the list of acceptable diagnoses.

Drug	Acute dose
Ranitidine (Zantac)	300mg/day or greater
Cimetidine (Tagamet)	800mg/day or greater
Nizatidine (Axid)	300mg/day or greater
Famotidine (Pepcid)	40mg/day or greater
Omeprazole (Prilosec)	40mg/day or greater
Lansoprazole (Prevacid)	30mg/day or greater

Acceptable Diagnoses
Hypersecretory condition
Zollinger-Ellison Syndrome (ZE)
Gastroesophageal reflux disease (GERD)
Esophagitis
Erosive Esophagitis
Barrett's Disease
Barrett's Esophagitis
Unhealed Ulcer
Multiple endocrine adenomas
Systemic mastocytosis

Third Party Liability (TPL)

Effective 60 days from the date of this transmittal, prescription claims for recipients

will be denied if Medicaid records indicate that the recipient has other prescription coverage. Medicaid is the payer of last resort. If a recipient has prescription insurance other than Medicaid that pays directly to the pharmacy for medications, the pharmacy must bill that carrier before billing Medicaid. If the other carrier does not pay the full amount, the Program will pay the difference between the amount paid by the insurance and the amount that Medicaid would have paid had it been the primary payer. The pharmacist should submit the claim to Medicaid with a "2" in the TPL indicator field and enter the amount that the other carrier paid in the TPL amount field. If the pharmacist determines that the recipient does not have other insurance, the claim should be resubmitted with TPL indicator of "1". If it is determined that this particular drug is not covered by the insurance, the pharmacist should resubmit the claim to Medicaid with TPL indicator "3". If the prescription is covered by the other carrier but the pharmacy does not participate in the insurance network, the pharmacist should resubmit the claim with TPL indicator "4".
Note: If a carrier requires the enrollee to pay for medications and then reimburses the enrollee directly or a carrier is precluded by Federal regulations to cover prescriptions, the Program will pay the pharmacy and then seek recovery from the other carrier.

Medicare Cost Avoidance

Effective January 4, 1999, claims for the immunosuppressant drugs Sandimmune, Cellcept, Prograf, Imuran and Neoral will deny for recipients having Medicare Part B coverage. If the date of service is within three years of the hospital discharge date for the transplant, Medicare should be billed. If dispensed more than three years from the transplant discharge date, the help desk can be called for a lifetime override. Medicare Part B also pays for some oral anti-cancer drugs. Claims for oral anti-cancer drugs for recipients with Medicare part B will continue to deny on-line and should be billed to Medicare. If used for arthritis or a medically accepted use other than for the treatment of cancer, the help desk will preauthorize these drugs to pay on-line when resubmitted.

Verification of Diagnosis for Pharmacy Assistance Coverage

Effective 60 days from the date of this transmittal, the new system will require the pharmacist to verify the proper diagnosis where required for coverage under the Maryland Pharmacy Assistance Program (MPAP). Many drugs under the Pharmacy Assistance Program are covered only when used to treat a specific condition. Claims for drugs requiring the diagnosis will deny and the pharmacist must enter an "8" in the PA/MC field as verification that the recipient has the diagnosis required for coverage. If the diagnosis is not written on the prescription by the prescriber, the pharmacist can determine the diagnosis by either calling the prescriber or talking with the recipient and documenting on the prescription that the diagnosis is appropriate for MPAP coverage. Any notation made must be dated and initialed by the pharmacist. The pharmacist can submit a PA/MC code of "8" with the original submission to pre-empt a denial if the diagnosis has been verified and documented. The Program will conduct retrospective reviews of these claims and may recover the cost of any prescription not having the proper documentation. Please refer to the attached sheets with the list of required diagnoses.

Coordinated Prospective Drug Utilization Review (Pro-DUR)

The Program will begin implementation of the new Coordinated Pro-DUR System. When operating, the system will automatically link the drug history for the somatic drugs paid by the MCO with the drug history for the Specialty Mental Health and AIDS carve-out drugs paid by the State to allow a comprehensive prospective drug utilization review. Implementation will be in stages with one MCO being done at a time. By July, 1999, all MCOs should be participating.

DEA Number as Prescriber Identifier

The Coordinated Pro-DUR system requires standardization of data elements. To accomplish this the Medicaid Program is planning to use DEA number as prescriber identification. This is consistent with most of the other third party payers.

Pro-DUR Denials for Drug-Drug (DD) Interactions and Therapeutic Duplication (TD)

Effective 60 days from the date of this transmittal, the Program will deny claims for certain drug-drug and therapeutic duplication drug interactions. The pharmacist must take the appropriate action to resolve the DUR problem. If it is determined that the prescription should still be filled, the pharmacist must resubmit the claim with an intervention code and an outcome code for the claim to pay. The intervention and outcome codes to be used are listed below.

Intervention codes

ØØ	No intervention
MO	Prescriber consulted
PO	Patient consulted
RO	Pharmacist consulted other source
PE	Patient education/instruction

Outcome codes

1A	Filled as is, false positive
1B	Filled prescription as is
1C	Filled with different dose
1D	Filled with different directions
1F	Filled with different quantity
1G	Filled with prescriber approval

Note: Use of outcome codes 1C and 1F requires a change to the dose or quantity fields.

Extemporaneously Compounded Prescriptions

Effective 60 days from the date of this transmittal, the blanket National Drug Code (NDC) for extemporaneously compounded prescriptions will no longer be accepted for prescriptions over $12. The NDC of the most expensive ingredient must be used along with the quantity of that ingredient and submitted with compound code "2" (or "yes", depending on software). If unable to enter the quantity of the most expensive ingredient, then enter the total

quantity of the prescription, which will be adjusted during manual review of the claim. The claim will pend and the compounding form must be filled out and sent in with a copy of the prescriber's order to the Medical Care Operations Administration (MCOA), P.O. Box 2158, Baltimore, MD 21203, so that the prescription can be accurately priced.

Web Page

Effective January 4, 1999, First Health Services will maintain a web page for the Maryland Medicaid Pharmacy Program that will contain the Provider manual, the latest Transmittals, and other information concerning the Program. The address is http://mdmedicaidrx.fhsc.com.

Kidney Disease Program

Effective January 4, 1999, prescriptions for the Kidney Disease Program can be submitted on-line via the POS system. For more information please refer to the Kidney Disease Program at 410-767-5000.

Questions concerning this transmittal should be directed to the Manager for Pharmacy Services at 410-767-1455.

DRUGS REQUIRING DIAGNOSIS UNDER PHARMACY ASSISTANCE

Drug	Required Diagnosis
Non-steroidal anti-inflammatory drugs (NSAIDs)	
All covered products	Chronic rheumatic and arthritic conditions
Opiate agonists	
Codeine phosphate	Pain relief for terminally ill patients only
Fentanyl, transderm patch	
Hydrocodone bitartrate	
Hydromorphone Hcl	
Levorphanol tartrate	
Meperidine HCl	
Methadone	
Morphine sulfate	
Opium preps	
Oxycodone	
Oxymorphone HCl	
Propoxyphene Hcl, napsylate	
Barbiturates	
Phenobarbital	Anticonvulsant use
Benzodiazepines	
Clonazepam	Anticonvulsant use
Clorazepate	
Respiratory and cerebral stimulants	
Methylphenidate	Narcolepsy and attention deficit
Dextroamphetamine	disorders in individuals under
Pemoline	16 years of age
Benzodiazepines	
Alprazolam	Panic Disorders
Benzodiazepines	
Diazepam	Chronic anxiety
Lorazepam	
Ammonia Detoxicants	
Lactulose	Portal system encephalopathy
Enzymes	
Alglucerase	Gaucher disease
Miscellaneous GI drugs	
Cimetidine	Zollinger-Ellison Syndrome,
Cisapride	duodenal ulcer or
Famotidine	gastroesophageal reflux disease
Nizatidine	
Ranitidine	

Miscellaneous GI drugs	
Omeprazole	Erosive esophagitis or pathological
Lansoprazole	hypersecretory conditions
Oral and parenteral adrenals	
Betamethasone	Replacement therapy in adrenal
Cortisone acetate	insufficiency
Dexamethasone	
Fludrocortisone	
Hydrocortisone	
Methylprednisolone	
Prednisolone	
Prednisone	
Triamcinolone	
Androgens	
Oxymetholone	Treatment of anemias caused by deficient red blood cell production
Androgens	
Stanozolol	Hereditary angioedema
Topical anti-inflammatory agents	
Fluocinolone	Treatment of psoriasis
Triamcinolone acetonide	
Betamethasone dipropionate	