



# SoonerCare Pharmacy Update

September 2007

## Tamper-Resistant Prescription Pads

On September 12, CMS issued additional guidance regarding the new federal law that will require written prescriptions for Medicaid (SoonerCare) members to be executed on tamper-resistant prescription pads.

- The requirement will take effect Oct. 1, 2007.
- **The requirement will not apply to prescriptions that are called in, faxed in, or to electronic prescriptions (e-prescriptions).**
- Pharmacies may call prescribers to verify the authenticity of a prescription if they receive a written prescription for a SoonerCare member that is not compliant with the tamper-resistant requirement. Documentation of this call by the pharmacy will bring the prescription into compliance with federal law.
- CMS has concluded that a written order prepared in an institutional setting for Long Term Care where the doctor or medical assistant writes the order into the medical record and then the order is given by medical staff directly to the pharmacy is considered “tamper resistant,” so long as the patient never has the opportunity to handle that written order.



To be considered tamper resistant on **October 1, 2007** a prescription pad must contain **at least one** of the following three characteristics:

- 1) One or more features designed to prevent unauthorized copying of a completed or blank prescription form, such as a watermark on the reverse side
- 2) One or more features designed to prevent erasure or modification of information written on the prescription by the prescriber, such as background ink that shows erasures or attempts to change the written information
- 3) One or more features designed to prevent the use of counterfeit prescription forms, such as sequentially numbered blanks

Effective **October 1, 2008**, a prescription pad must contain **all three** characteristics to be considered tamper-resistant.

## Prescriber NPI Information Available

CMS recently began sharing provider NPI data. The data is being made available in two forms:

- 1) A web-based query-only database, known as the NPI Registry
- 2) A downloadable file



The web-based NPI Registry became operational on Sept. 4, 2007. The downloadable file was scheduled to be released approximately one week later. OHCA will analyze this data as it becomes available. When possible, we will make a file available to pharmacy providers that cross-references prescriber NPIs and 7-digit OHCA prescriber numbers.

SoonerCare pharmacy claims will begin processing with NPI as the pharmacy and prescriber identifiers on May 23, 2008. Please continue to submit pharmacy claims with the 10-character OHCA pharmacy provider number and 7-digit OHCA prescriber number through May 22, 2008.

In order to ensure a smooth transition, we encourage pharmacies to begin integrating prescriber NPI data with existing prescriber records as soon as possible.

## Provider Resources

### OHCA Pharmacy Help Desk

OKC Metro: (405) 522-6205, option 4  
Toll-Free: (800) 522-0114, option 4



Monday – Friday 8:30 a.m. to 7:00 p.m.  
Saturday 9:00 a.m. to 5:00 p.m.  
Sunday: 11:00 a.m. to 5:00 p.m.

### OHCA on the Web

For forms, prior authorization information, and more, visit our public website:

[www.okhca.org](http://www.okhca.org)



For drug pricing information, member eligibility verification, and claims submission, use the OHCA secure website:

<https://www.OHCAprovider.com>

## Up-to-Date Formulary Information



For web-based formulary information and free PDA formulary downloads, visit:

[www.epocrates.com](http://www.epocrates.com)

## DME Accreditation Update

Earlier this year, the OHCA sent out notice of changes in the rules regarding durable medical equipment (DME) suppliers (reference provider letter OHCA 2007-37). During the last few weeks, OHCA has discussed the accreditation deadline with DME providers and Medicare-deemed accreditation organizations for quality standards. The OHCA has concluded that the January 2008, date for accreditation requirement is not feasible for some providers and **has extended the accreditation deadline to January 2011**.

In the interim, any other participation requirements that are not outlined in the new rules will be addressed in your renewal contract, currently scheduled for renewal on 12-31-07. The fee schedule for HCPCS codes A0021 through V5364 will be updated effective 09-01-07. If you have any questions, please feel free to contact Provider Services at 1-877-823- 4529, option 2.

Additionally, OHCA is working to change current policy to allow pharmacies to submit claims for diabetic supplies through the Pharmacy Point of Sale (POS) system. This would eliminate the requirement of a DME contract or a separate claims mechanism for pharmacies who only wish to provide diabetic supplies. Diabetic supplies include glucometers and associated supplies, testing strips, lancets and lancing devices, insulin syringes and alcohol swabs. This policy is being developed as a rule change and would not take effect until July 2008 at the earliest.

## SoonerCare Q & A

**Q:** Does SoonerCare cover cough and cold products for children?

**A:** SoonerCare does cover some cough and cold products for children. A list of covered products is posted on the OHCA website.

**Q:** How long does it take for a prior authorization request to be processed?.

**A:** Prior authorization requests are processed within 24 hours of receipt. If the pharmacy hasn't received a response, they should call to check status / ensure that we have received the request.

**Q:** Does insulin count against the member's monthly brand-name prescription limit?

**A:** Insulin does not count against the member's monthly brand-name prescription limit, although it does count against the generic prescription limit.

**Q:** Where can I find SoonerCare formulary information?

**A:** SoonerCare formulary information is available via ePocrates.com, and can even be downloaded to handheld devices. This is a free service. Prior authorization, quantity limit, and supplemental rebate information is also available at the OHCA public website.

**Q:** Does it matter if SoonerCare medication prior authorization requests are submitted on outdated forms?

**A:** It is very important to use current versions of PA forms. Older forms show incorrect phone numbers, which causes communications problems when providers need to contact the pharmacy help desk. Current versions of the forms can be downloaded from the OHCA website.

## Average Manufacturer Price and Federal Upper Limit

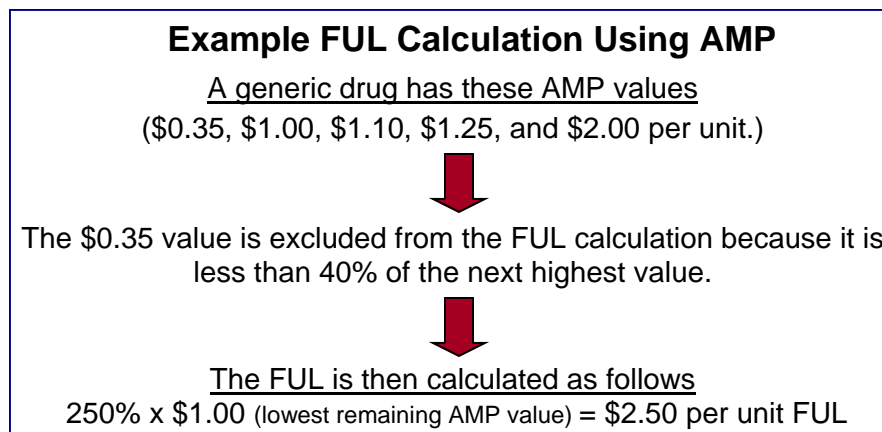
The federal Deficit Reduction Act (DRA) of 2005 includes a new definition of the Federal Upper Limit (FUL) payment for multi-source drugs. In July of this year, CMS released the final rules for implementing these provisions of the DRA.

The DRA made several changes to the FUL calculation process. First, the federal regulations are changing the way that the Average Manufacturer Price (AMP) is calculated. Up until now, AMP has only been used to calculate the amount of rebate due to states under the Federal Medicaid Drug Rebate Program. The AMP was kept confidential to such a degree that only the manufacturers and CMS were allowed to know each quarterly AMP for an individual product.

The DRA takes away that confidentiality and also specifies how the AMP is to be calculated. In the past, each manufacturer had significant leeway in determining the AMP for each product. Although OHCA has been receiving AMP data for about a year, the data may not accurately reflect what the revised calculations will look like when they take effect in January 2008.

Prior to the DRA, FUL has been set using 150% of the lowest published Average Wholesale Price (AWP) for a generic drug. To be eligible for FUL pricing, there must have been at least 2 generics on the market. Because of these requirements, in the past, the FUL was generally higher than the State Maximum Allowable Cost (SMAC) pricing, so SMAC reimbursement applied according to the "lower of" reimbursement formula.

The new FUL calculations will be set at a maximum of 250% of the lowest AMP for a generic product. CMS will remove outliers from the calculation if the lowest value is less than 40% of the next highest value.



Manufacturers must report the newly calculated AMP values beginning with the October 2007 monthly data, which is due to CMS by the end of November. CMS then has 30 days to turn that around and release a new FUL price list. States then have 30 days to implement that pricing into their claims payment system. This puts us at the end of January 2008 for implementation.

The pricing formula for SoonerCare reimbursement has not changed, it will remain as the "lower of" Estimated Acquisition Cost (AWP – 12%), SMAC, or FUL, plus dispensing fee or usual and customary pricing. The dispensing fee of \$4.15 will remain for branded drugs; however, OHCA plans to increase the dispensing fee to \$9.00 for generic drugs. CMS must approve this increase. Tentatively this increase will take effect during the first quarter of calendar year 2008.