pennsylvania
DEPARTMENT OF PUBLIC WELFARE

MEDICAL ASSISTANCE BULLETIN

ISSUE DATE	EFFECTIVE DATE	NUMBER
December 30, 2011	January 3, 2012	* See Below

SUBJECT

Medical Assistance
Pharmacy Benefit Package Change

BY

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Office of Medical Assistance Programs

IMPORTANT REMINDER: If you submit HIPAA compliant electronic healthcare claim transactions to the Department, you need to be prepared for the ANSI X12 v5010 and NCPDP vD.0 upgrades in order to prevent the rejection of your claims. The CMS mandated compliance date for all covered entities to use the new standards is January 1, 2012. For additional information, visit the DPW website at:
http://www.dpw.state.pa.us/provider/doingbusinesswithdpw/softwareandservicevendors/hipaa5010d.0upgradeinformation/index.htm

PURPOSE:

The purpose of this bulletin is to:

1. Inform providers that, effective January 3, 2012, the Department of Public Welfare (Department) is limiting the pharmacy benefit for categorically needy adult Medical Assistance (MA) recipients, 21 years of age and older, to six prescriptions per month;
2. Inform providers of the criteria and procedures to request an exception to the benefit package limit of six prescriptions per month for adult categorically needy MA recipients and adult General Assistance (GA) recipients; and
3. Issue revised provider handbook pages, which include instructions for providers to request exceptions to the pharmacy benefit limit.

SCOPE:

This bulletin applies to all pharmacies and prescribers, including physicians, certified registered nurse practitioners, optometrists, dentists, podiatrists, and certified nurse midwives, rendering pharmacy services to MA recipients in the Fee-for-Service delivery system, including ACCESS Plus. Pharmacies and prescribers rendering pharmacy services under the managed care delivery system should address any questions regarding the pharmacy benefit limit and payment for pharmacy services to the appropriate managed care organization (MCO).

*09–11-58, 14-11-52, 18-11-03, 24-11-58, 27-11-56, 31-11-57, 33-11-20

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

The appropriate toll free number for your provider type

Visit the Office of Medical Assistance Programs Web site at
http://www.dpw.state.pa.us/provider/healthcaremedicalassistance/index.htm

BACKGROUND:

States across the country, including Pennsylvania, are struggling to maintain their Medicaid programs as state revenues continue to lag, failing to keep pace with ever-increasing caseloads and health care costs.

Since 2005, the Department has implemented a series of initiatives designed to provide high quality, efficient and cost effective pharmacy services. Despite the significant cost savings the Department has realized from these initiatives, General Fund revenue collections continue to fall below estimates and the cost of medications continues to increase.

The Department closely evaluated the utilization of and payment for pharmacy services to identify cost containment initiatives, including how services could be limited with minimal impact to the health care needs of MA recipients. Based on MA Program utilization and claims data from SFY 2009-2010, the most recent year for which complete data is available, approximately 701,410 categorically needy adult MA recipients received on average at least one prescription drug per month during SFY 2009-2010. Of these, approximately 89% received fewer than seven prescriptions per month, and, 75,850 or 11% received on average seven or more prescriptions per month. Limiting the pharmacy benefit package for adult MA recipients to six prescriptions per month will allow the Department to realize significant cost savings with minimal impact to MA recipients.

The Department also administers a state funded non-Medicaid General Assistance (GA) Program, which covers pharmacy services for chronically needy adult GA recipients, subject to a limit of six prescriptions per month.

DISCUSSION:

Effective January 3, 2012, categorically needy adult MA recipients 21 years of age and older, will be eligible for six prescriptions for drugs per calendar month. This pharmacy benefit change does not apply to MA recipients who:

- are under 21 years of age;
- are pregnant, including throughout the postpartum period. The postpartum period begins on the last day of the pregnancy and ends on the last day of the month in which the 60-day period following termination of the pregnancy ends;
- reside in a nursing facility or an intermediate care facility.

Note, this pharmacy benefit change does apply to adult recipients 21 years of age and older who reside in Personal Care Homes, Domiciliary Care Homes, and Assisted Living facilities, as well as adult recipients enrolled in Home and Community-Based Waiver programs.

The Department will count toward the recipient's six prescriptions per month pharmacy benefit limit, outpatient legend and non-legend drugs that are dispensed by a pharmacy or by a medical practitioner, and submitted for payment with the appropriate National Drug Code

(NDC), except for drugs dispensed as an emergency supply, which will **not** count toward the recipient's six prescriptions per month pharmacy benefit limit.

The Department has developed an exceptions process to allow access to critically needed pharmacy services for categorically needy MA recipients who exceed the six prescription limit. The exceptions process is expansive, involving multiple circumstances, conditions, diagnoses, and drug classes for which exceptions will be approved.

The Department will grant exceptions to the six prescriptions per month pharmacy benefit limit when one of the following criteria is met:

1. The Department determines the recipient has a serious chronic systemic illness or other serious health condition and denial of the exception will jeopardize the life of the recipient.
2. The Department determines the recipient has a serious chronic systemic illness or other serious health condition and denial of the exception will result in the rapid, serious deterioration of the health of the recipient.
3. The Department determines that granting a specific exception is a cost effective alternative for the MA Program.
4. The Department determines that granting an exception is necessary in order to comply with Federal law.

In many cases exceptions will be approved automatically at the pharmacy point-of-sale. For those that are not automatically approved, the Department will review manually as described in the Procedure section of this bulletin. All prior authorization requirements continue to apply and documentation of medical necessity for the drug will be reviewed concurrent to consideration of the benefit limit exception. The criteria, exceptions and procedures set forth in this bulletin for the pharmacy benefit package limit are applicable to both categorically needy MA and GA recipients, 21 years of age and older.

MA MCOs that contract with the Department to provide services to MA recipients have the option to impose the same or lesser limits for pharmacy services. MA MCOs that choose to impose the same or lesser pharmacy limit will issue individual notices to their members and notify network providers at least 30 days in advance of the changes.

PROCEDURE:

The Department will limit pharmacy services for categorically needy adult MA recipients, to six prescriptions per calendar month for outpatient legend and non-legend drugs. The Department will grant exceptions to the limit as described below. This exceptions process also applies to adult GA recipients and supersedes the process outlined in MA bulletin 01-93-11, et.al. titled, "Update to Exceptions Process and Criteria Under the General Assistance Basic Health Care Package, Process to Request an Exception for Additional Prescriptions".

MA recipients who are pregnant, including throughout the postpartum period, or reside in a nursing facility or intermediate care facility are excluded from the six prescriptions per

month benefit limit. When the pharmacist determines that the MA recipient is pregnant or resides in a nursing facility or intermediate care facility, the pharmacist should enter the appropriate pregnancy indicator or patient residence code as specified in the Pennsylvania PROMISe™ – NCPDP Version D.0 Desk Reference Guide for PROMISe™. This will ensure that the claim is not denied as exceeding the benefit limit. Pharmacists may refer to the Pennsylvania PROMISe™ – NCPDP Version D.0 Desk Reference Guide for PROMISe™ at: http://www.dpw.state.pa.us/ucmprd/groups/webcontent/documents/manual/p_002931.pdf.

Benefit Limit Exceptions

The Department will grant exceptions to the six prescriptions per month pharmacy benefit limit when one of the following criteria is met:

1. The Department determines the recipient has a serious chronic systemic illness or other serious health condition and denial of the exception will jeopardize the life of the recipient.
2. The Department determines the recipient has a serious chronic systemic illness or other serious health condition and denial of the exception will result in the rapid, serious deterioration of the health of the recipient.
3. The Department determines that granting a specific exception is a cost effective alternative for the MA Program.
4. The Department determines that granting an exception is necessary in order to comply with Federal law.

The Department will automatically approve an exception to the limit for certain conditions, diagnoses, and drug classes that the Department has determined would meet the benefit limit exception criteria. In these instances, the exception will be approved automatically at the pharmacy point-of sale if the PROMISe™ claims processing system determines that the six prescription limit has been reached and the additional prescription is for a drug in one of the applicable classes and the recipient's claims history record shows the indicated diagnosis or condition on the attached list, "Automatic Benefit Limit Exceptions for Pharmacy Services".

If the exception to the limit is not automatically approved at the pharmacy point-of-sale, the prescribing provider may request a benefit limit exception (BLE) by faxing the Pharmacy Benefit Limit Exception Request Form to MA Pharmacy Services at 1-866-327-0191. A copy of the form is attached to this bulletin and is also accessible online via the "Pharmacy Benefit Limit Exception Process" link on the "Pharmacy Services" webpage at: http://www.dpw.state.pa.us/provider/doingbusinesswithdpw/pharmacyservices/index.htm. Prescribing providers who do not have access to a fax machine may call MA Pharmacy Services at 1-800-537-8862, between 8:00 a.m. and 4:30 p.m., Monday through Friday, to request an exception by telephone. Providers must provide the following when requesting a BLE:

1. Recipient's name, address, date of birth, and ACCESS card number
2. The prescriber's name, specialty, National Provider Number (NPI), state medical license number, address, telephone and fax numbers

3. Information about the prescription for the drug that is being requested including the drug name, strength, quantity, directions, day supply, and anticipated duration of the regimen.
4. Copies of documentation from the recipient's medical record supporting the criterion for the benefit limit exception
5. ICD-9-CM Diagnosis Code(s) or diagnosis

The Department will respond to a prescriber's request for a pharmacy BLE within 24 to 72 hours after all of the necessary information is received by the MA Program. The Department will notify the prescribing provider by return fax or telephone whether the request for an exception to the pharmacy benefit limit is approved or denied. If the request for an exception was made by telephone, the Department will notify the prescribing provider by telephone. The Department will also send a written Notice of Decision to the prescribing provider and the recipient.

Emergency Supply

Drugs dispensed as an emergency supply do not count toward the recipient's six prescriptions per month pharmacy benefit limit, and do not require any BLE approval. Pharmacists or dispensing practitioners may dispense up to a 5-day emergency supply of a prescribed medication if, in the professional judgment of the pharmacist or the dispensing practitioner, the recipient has an immediate need for the medication. The pharmacist may dispense an emergency supply unless the pharmacist determines that taking the prescribed medication, either alone or along with other medication(s) that the recipient may be taking, would jeopardize the health and safety of the recipient.

Benefit Limit Exceptions and Prior Authorization

If the BLE request involves a new prescription for a drug that also requires prior authorization, the prescribing provider should submit the documentation of medical necessity (to support the prior authorization decision) along with the clinical information to support the BLE request. The Department will take into account the elements specified in the clinical review guidelines which are included in the Prior Authorization of Pharmaceutical Services Handbook related to the drug or class of drugs in reviewing the prior authorization request to determine medical necessity.

Approval for a benefit limit exception is valid for the calendar month in which the approval is issued. If the request for a benefit limit exception is determined not to meet the criteria for an exception, the prescribing provider must then follow the standard procedure to submit a request for prior authorization of the prescription. If the request for prior authorization is subsequently approved, the recipient can obtain the medication in the upcoming calendar month and the prescription will count toward the limit of six prescriptions/refills per calendar month for the upcoming month.

If the recipient is enrolled in the managed care delivery system and receives a prior authorization approval for a pharmacy service and subsequently enrolls in the Fee-for-Service

(FFS) delivery system, the prescribing provider must request a BLE for the pharmacy service if the recipient has exceeded the six prescription benefit limit for the calendar month.

Recipient Liability

Consistent with 55 Pa.Code § 1101.31(f)(2)(viii), the provider may not bill the MA recipient for services rendered in excess of the pharmacy benefit package limit unless:

1. The provider informs the recipient before the service is rendered that the service requires a BLE and the recipient is liable for the payment if the request for an exception is denied; and,
2. The provider requests an exception to the limit and the Department denies the request.

Reference Material, Forms and Handbooks

The Department has developed a desk reference outlining the procedures for providers to request a BLE. The desk reference titled, "Medical Assistance Program Desk Reference, Requirements and Procedures to Request an Exception to the Pharmacy Benefit Limit for Categorically Needy and General Assistance Adults" is attached to this bulletin.

The PA PROMISe™ Provider Handbook is revised to update the procedure to request and the criteria for approval for an exception to the benefit package limit of six prescriptions per month for both adult categorically needy MA recipients and adult General Assistance (GA) recipients.

The Department is issuing updated pages to the following PA PROMISe™ Provider Handbooks:

- NCPDP D.0/Pharmacy Billing
  Section 7 Prior Authorization and Benefit Limit Exceptions Process
  7.6 Pharmacy Services Benefit Limit Exceptions Process
- 837 Professional/CMS-1500 Claim Form
  Section 7 Prior Authorization and Benefit Limit Exceptions Process
  7.8 Pharmacy Services Benefit Limit Exceptions Process

Pharmacies and prescribing providers may view their respective Provider Handbooks on the Department's website at:
http://www.dpw.state.pa.us/publications/forproviders/promiseproviderhandbooksandbillingguides/index.htm

Providers who do not have internet access may request a hard copy by contacting the Medical Assistance Service Center at 1-800-537-8862.

ATTACHMENTS:

Attachment A: Automatic Benefit Limit Exceptions for Pharmacy Services

Attachment B: Pharmacy Benefit Limit Exception Request Form

Attachment C: Medical Assistance Program Desk Reference Requirements and Procedure to Request an Exception to the Pharmacy Benefit Limit for Categorically Needy and General Assistance Adults

Attachment D: PA PROMISe™ Provider Handbook, NCPDP D.0/Pharmacy Billing

Section 7 PRIOR AUTHORIZATION AND BENEFIT LIMIT EXCEPTIONS PROCESS

7.6 Pharmacy Services Benefit Limit Exceptions Process

Attachment E: PA PROMISe™ Provider Handbook, 837 Professional/CMS-1500 Claim Form

Section 7 PRIOR AUTHORIZATION AND BENEFIT LIMIT EXCEPTIONS PROCESS

7.8 Pharmacy Services Benefit Limit Exceptions Process