

Wisconsin Medicaid update and BadgerCare

October 2000 • No. 2000-47

PHC 1756

Wisconsin Medicaid and BadgerCare Information for Providers

To:

Dispensing
Physicians

Pharmacies

HMOs and Other
Managed Care
Programs

Introducing Wisconsin Medicaid's prospective Drug Utilization Review system

Wisconsin Medicaid will implement a prospective Drug Utilization Review (DUR) system in early 2001. The implementation of prospective DUR will affect all pharmacy providers billing Wisconsin Medicaid through real-time claims submission to Point-of-Sale (POS). This *Update* is the first in a series of articles that provides an overview of prospective DUR and information about what providers should do to prepare for implementation.

Background information

Prospective Drug Utilization Review is required by federal law

The federal Omnibus Budget Reconciliation Act of 1990 (OBRA '90) establishes Medicaid program requirements regarding several aspects of pharmacy practice. One of the requirements of OBRA '90 calls for a Drug Utilization Review (DUR) program for all Medicaid outpatient drugs in order to improve the quality and cost-effectiveness of recipient care.

Wisconsin Medicaid and Pharmacy regulations comply with the requirements of OBRA '90. Providers should refer to Pharmacy 7.01 [e] and 7.08, Wis. Admin. Code, and 450.01 (16) (i), Wis. Stats., for detailed information about Wisconsin's DUR requirements.

The Omnibus Budget Reconciliation Act of 1990 requires that Medicaid DUR programs consist of:

- Prospective DUR.
- Retrospective DUR.
- An educational program using DUR program data on common drug therapy.

Individual pharmacies are responsible for prospective DUR, while Wisconsin Medicaid is responsible for the retrospective DUR and the educational program. Wisconsin Medicaid's new prospective DUR system is a useful tool that will provide pharmacists with additional information and help them better perform prospective DUR.

Claims to be reviewed by prospective Drug Utilization Review system

Under the new prospective DUR system, only reimbursable claims for Medicaid fee-for-service recipients submitted through real-time Point-of-Sale (POS) will be reviewed. Paper claims and Electronic Media Claims (EMC) will not be reviewed by the Medicaid prospective DUR system. However, pharmacy providers submitting paper claims and EMC claims are still required under provisions of OBRA '90 to perform prospective DUR independently.

In addition, *all* claims (including real-time POS, EMC, and paper claims) will continue to be reviewed by Wisconsin Medicaid for retrospective DUR.

Objective of Medicaid's prospective Drug Utilization Review system

The Medicaid prospective DUR system assists pharmacy providers in screening certain drug categories for clinically important potential drug therapy problems at the time the prescription is dispensed to the recipient. Prospective DUR enhances clinical quality and cost-effective drug use.

When a claim is processed for a drug that has the potential to cause problems for the recipient, an alert will appear on the pharmacy provider's computer screen to inform the provider of the potential problem. Review and approval of the criteria for establishing alerts is the responsibility of the Wisconsin Medicaid DUR Board.

Benefits of the prospective Drug Utilization Review system

Wisconsin's prospective DUR system is a valuable tool for pharmacy providers and will offer the following benefits:

- Provides a real-time alert so that pharmacies can immediately respond to the potential problem.
- Reviews not only the prescriptions at an individual pharmacy, but all of the prescriptions reimbursed by Medicaid fee-for-service, giving pharmacy providers access to information that was formerly unavailable to them.
- Uses information from previously paid medical and pharmacy claims to build a recipient profile that links to additional

medical information, such as medical diagnoses.

- Allows pharmacy providers to pre-override alerts when the drug in claims history that activates the alert was dispensed from the same pharmacy.
- Allows pharmacy providers to override any alerts once they have occurred.

Prospective Drug Utilization Review alerts

For each recipient, Wisconsin Medicaid will activate alerts that will identify the following potential problems:

- **Therapeutic duplication.** Alerts the pharmacy provider that another drug is present in claims history that may have the same therapeutic effect.
- **Drug-drug interaction.** Alerts the pharmacy provider if another drug is present in pharmacy claims history that may potentially negatively interact with the drug being filled.
- **Drug-disease contraindication.** Alerts the pharmacy provider if a drug is being prescribed for a recipient with a disease for which the drug is contraindicated.
- **Drug-age precaution (pediatric).** Alerts the pharmacy provider if a prescribed drug should not be given to a pediatric recipient.
- **Early refill (overuse).** Alerts the pharmacy provider if the recipient is returning to the pharmacy before the supply of the drug is supposed to be refilled.
- **Late refill (underuse).** Alerts the pharmacy provider if a recipient is late in obtaining a refill for a maintenance drug.
- **Pregnancy alert.** Alerts the pharmacy provider if the prescribed drug is contraindicated in a pregnant recipient.

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- **Additive toxicity.** Alerts the pharmacy provider if a prescribed drug will cause a cumulative effect with other drugs in the claims history.

The drug tables used to establish the alerts are provided to Wisconsin Medicaid by First DataBank, Inc.

Responding to alerts is required

When an alert notifies a pharmacy provider of a potential problem, the provider is required to respond through the POS system to obtain reimbursement from Wisconsin Medicaid.

Providers may respond by:

- Choosing not to dispense the prescribed drug.
- Overriding alerts once they have been activated by filling in the DUR fields.

The system will also allow pharmacy providers to pre-override alerts if the drug in claims history that activates the alert was dispensed from the same pharmacy.

Note: Claims for nursing home recipients will be reviewed for prospective DUR; however, they will not require a response since billing for these drugs does not occur at real-time POS.

The nursing home pharmacist consultant continues to be responsible for prospective DUR.

Pharmaceutical Care and prospective Drug Utilization Review

Under Medicaid's prospective DUR system, pharmacy providers who also perform Pharmaceutical Care (PC) services will have the capability to bill for PC services and respond to prospective DUR alerts in the same real-time claims submission.

Contact software and switch vendors

To prepare for the approaching implementation of prospective DUR, providers should work with their software and switch vendors to ensure that they have access to all prospective DUR fields within the National Council for Prescription Drug Program Telecommunication Standards 3C, 3.2, or 4.0 formats. Pharmacy providers will need to have access to those fields in order to respond to alerts and obtain reimbursement.

Providers billing PC services will also need access to the "level of service" field.

Prospective Drug Utilization Review Educational Teleconferencing Network training and implementation schedule

Educational Teleconferencing Network (ETN) training and implementation of prospective DUR are targeted for first quarter 2001. More information about training and implementation dates will be forthcoming in future *Wisconsin Medicaid and BadgerCare Updates*.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at www.dhfs.state.wi.us/medicaid/.

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