

# Wisconsin Medicaid update and BadgerCare

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Wisconsin Medicaid and BadgerCare Information for Providers

To:

Dispensing  
Physicians

Pharmacies

HMOs and Other  
Managed Care  
Programs

## Wisconsin Medicaid's prospective Drug Utilization Review system implementation

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 second in a series of articles that provides an overview of prospective DUR and information about what providers should do to prepare for implementation.

### Objective of prospective Drug Utilization Review

The Medicaid prospective Drug Utilization Review (DUR) system will assist pharmacy providers through the ability to screen selected drug categories for clinically important potential drug therapy problems before 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, the Wisconsin Medicaid prospective DUR system returns an alert to the pharmacy provider to inform the provider of the potential problem. The provider is then required to respond to the alert to obtain reimbursement from Wisconsin Medicaid.

### *Alerts are customized*

Review and approval of the criteria for establishing alerts is the responsibility of the Wisconsin Medicaid DUR Board and the Division of Health Care Financing. When establishing the criteria to activate the alerts, Wisconsin Medicaid and the Wisconsin Medicaid DUR Board considered the therapeutic class of the drug, severity level of the problem, and clinical significance. The criteria were limited to avoid creating false positives and to reduce unnecessary alerts being returned to the provider.

### Claims to be reviewed by the prospective Drug Utilization Review system

All pharmacy providers submitting claims continue to be responsible for prospective DUR under provisions of the federal Omnibus Budget Reconciliation Act of 1990 (OBRA '90) and Wisconsin pharmacy regulations. Under Medicaid's prospective DUR system, only reimbursable claims for Medicaid fee-for-service recipients submitted through real-time Point-of-Sale (POS) will be reviewed. The following claims will not be reviewed by the system:

- Paper claims.
- Electronic Media Claims (EMC).
- Compound drug claims.

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 always occur at the same time the drug is dispensed. Wisconsin Medicaid will instead send reports of prospective DUR results to the dispensing pharmacy. The nursing home pharmacist consultant will continue to be responsible for retrospective DUR.

Refer to the Pharmacy Handbook for more information about OBRA '90 and Wisconsin's prospective DUR requirements.

### **Implementation and training schedule**

Attachment 1 of this *Update* is a schedule of prospective DUR implementation and training. Wisconsin Medicaid is implementing the system in the following phases:

- *Initial testing.* Wisconsin Medicaid and software vendors tested the system in August-November 2000. Providers should contact their software vendors if they also wish to conduct testing.
- *Production test phase of alerts.* Wisconsin Medicaid will put the system in place in December 2000 to allow for system evaluation; however, providers will not yet see the alerts.
- *Informational phase of alerts.* Wisconsin Medicaid will turn on three types of alerts per week to give providers a preview of what the fully implemented system will look like. Providers will see the alerts starting January 3, 2001, as informational only. Although the alert information may be useful to providers, they will not yet be required to respond to receive reimbursement.
- *Full implementation.* Beginning February 7, 2001, the informational phase of alerts will end. Alerts will be turned on

one at a time, and providers will be required to respond to the alert to receive reimbursement for the claim from Wisconsin Medicaid.

### **Software fields required to respond to alerts and receive reimbursement**

After full implementation of an alert, the provider is required to respond to the alert to obtain reimbursement from Wisconsin Medicaid. To respond, providers will need to have access to all prospective DUR fields within the National Council for Prescription Drug Program (NCPDP) Telecommunication Standards 3C, 3.2, or 4.0 formats. The required fields are listed in Attachment 2. Providers are strongly encouraged to contact their software vendors to ensure that they have access to these fields.

Using the fields listed in Attachment 2, providers can also pre-override anticipated alerts. The system will allow this if the drug in claims history that activates the alert was dispensed from the same pharmacy.

### **Medicaid's prospective Drug Utilization Review system is flexible**

As the prospective DUR system is implemented, Wisconsin Medicaid will analyze reports on the performance of the system, including the frequency of alerts and responses. Wisconsin Medicaid will have the capability to refine alert criteria within the system if necessary.

### **Prospective Drug Utilization Review and Pharmaceutical Care**

Pharmaceutical Care (PC) services can be billed through real-time POS or by using the non-compound drug claim form using PC codes in the three fields shared with DUR and the

**A**fter full implementation of an alert, the provider is required to respond to the alert to obtain reimbursement from Wisconsin Medicaid.

level of service field. Wisconsin Medicaid reminds providers that there are limitations on PC billing and reimbursement. Responding to DUR alerts is not automatically considered a PC service. Not all PC services for which a provider receives a DUR alert are reimbursable under the PC benefit. Refer to the Pharmacy Handbook for information on reimbursement for PC services.

Refer to the October 2000 *Wisconsin Medicaid and BadgerCare Update* (2000-47), titled “Introducing Wisconsin Medicaid’s prospective Drug Utilization Review system” for more information about the prospective DUR system. More information about implementation of the system will be coming in future *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/](http://www.dhfs.state.wi.us/medicaid/).

# ATTACHMENT 1

## Schedule of prospective Drug Utilization Review implementation and training

Event	Date	Impact on providers
Informational phase of alerts.	January 3-February 6, 2001	Providers will see the alerts starting January 3, 2001, as informational <i>only</i> . Although the alert information may be useful to providers, they will not yet be required to respond to receive reimbursement.
Educational Teleconferencing Network (ETN) training for providers is held.	January 18, 2001 (afternoon)  January 31, 2001 (morning)	<b>Pharmacists are strongly encouraged to attend ETN training on use of the prospective DUR system. Invitations will be mailed in December.</b>
Full implementation.	February 7, 2001	Beginning February 7, 2001, the informational phase of alerts will end. Alerts will be turned on one at a time, and providers will be required to respond to the alert to obtain reimbursement for the claim from Wisconsin Medicaid.

## ATTACHMENT 2

# National Council for Prescription Drug Program (NCPDP) fields needed for prospective Drug Utilization Review (DUR)

Action	NCPDP Field Number	Field Name	Description
Submitting claims	418	Level of Service	Only needed for compounding and Pharmaceutical Care reimbursement.
	439	DUR Conflict Code	DD = Drug-Drug MC = Drug-Disease (Reported) DC = Drug-Disease (Inferred) TD = Therapeutic Duplication PG = Drug-Pregnancy ER = Overutilization AT = Additive Toxicity PA = Drug-Age LR = Underutilization
	440	DUR Intervention Code	
	441	DUR Outcome Code	
Receiving responses  Up to three alerts may be received.	439	DUR Conflict Code	See above
	526	Additional Message Information	
	528	Clinical Significance Code	1 = Major 2 = Moderate 3 = Minor
	529	Other Pharmacy Indicator	0 = Alert set is based on current claim only 1 = Your pharmacy 3 = Other pharmacy
	530	Previous Date of Fill	YYYYMMDD = This field is zero-filled if the alert is set based on data on the current claim only. Otherwise it contains the Date of Service from the other claim or history claim causing the alert to set.
	531	Quantity of Previous Fill	999.99 = This field is zero-filled if the alert is set based on data on the current claim only. Also zero-filled when the other claim or profile record causing the alert to set has spaces in the quantity field. Otherwise, contains the quantity from the other claim or history claim.
	532	Database Indicator	4 = Processor developed
	533	Other Prescriber Indicator	0 = Not specified 1 = Same prescriber 2 = Other prescriber
	535	DUR Overflow Indicator	
	544	Free Text	DUR alert message