

Wisconsin Medicaid and BadgerCare update

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Wisconsin Medicaid and BadgerCare Information for Providers

To:

Blood Banks

Dispensing
Physicians

Federally Qualified
Health Centers

Pharmacies

HMOs and Other
Managed Care
Programs

Dispensing Provider Information on the Wisconsin Medicaid Preferred Drug List

Effective for dates of service on and after October 1, 2004, the Division of Health Care Financing is implementing a Preferred Drug List (PDL) and Supplemental Rebate Program for Wisconsin Medicaid and BadgerCare fee-for-service and SeniorCare. Drug classes will be added to the PDL in 2004 and 2005.

This *Wisconsin Medicaid and BadgerCare Update* is for dispensing providers. Prescribers are receiving a separate *Update* that includes information about their responsibilities for drugs on the PDL.

Background

Effective for dates of service on and after October 1, 2004, the Division of Health Care Financing (DHCF) is implementing a Preferred Drug List (PDL) and Supplemental Rebate Program for Wisconsin Medicaid and BadgerCare fee-for-service and SeniorCare as authorized in the state's 2003-05 biennial budget. This *Wisconsin Medicaid and BadgerCare Update* is for dispensing providers (e.g., pharmacies, federally qualified health centers, blood banks).

Currently, the state of Wisconsin spends over \$700 million each year on prescription drugs for Wisconsin Medicaid and BadgerCare recipients and SeniorCare participants. The new PDL and

supplemental manufacturer rebates will result in significant savings for Wisconsin Medicaid, BadgerCare, and SeniorCare.

Non-preferred drugs require prior authorization (PA). Preferred drugs on the PDL do *not* require PA, although these drugs may have other restrictions (e.g., age, diagnosis). Prescribers are encouraged to write prescriptions for preferred drugs; however, a PA process is available for non-preferred drugs.

Based on the therapeutic significance and cost effectiveness of each drug, supplemental rebates with drug manufacturers are negotiated and PDL recommendations are made to the

Important Information for Dispensing Providers

With the implementation of the PDL, dispensing providers are required to:

- Obtain a completed Prior Authorization/Preferred Drug List (PA/PDL) Exemption Request form for non-preferred drugs.
- Submit a PA request to Wisconsin Medicaid.
- Retain a completed copy of the PA/PDL Exemption Request.

Providers can contact Provider Services at (800) 947-9627 or (608) 221-9883 for additional information.

Wisconsin Medicaid PA Advisory Committee. To establish drugs to be included on the PDL, the PA Advisory Committee reviews research and clinical information prepared by clinical pharmacists. Research is based on peer-reviewed medical literature and current studies and trials.

The PA Advisory Committee consists of physicians, pharmacists, advocates, and consumers from the state of Wisconsin. Their responsibility is to review evaluations and make recommendations to the DHCF pertaining to drugs that should be included on the PDL. For additional information on the PA Advisory Committee, refer to the PA Advisory Committee Web site at www.pac.wisconsin.gov/.

The PDL will be phased in by drug class for Wisconsin Medicaid, BadgerCare, and SeniorCare beginning in October 2004 and continuing through 2005. Information will be published in *Updates* as drug classes are phased in. Changes to the PDL and the PDL implementation schedule will be posted on the Medicaid Web site at dhfs.wisconsin.gov/medicaid/. Providers should refer to the Medicaid Web site on and after September 22, 2004, for the PDL and implementation schedule.

The SeniorCare drug search tool will indicate if a SeniorCare-covered drug is a preferred or non-preferred drug. Refer to the SeniorCare Web site at dhfs.wisconsin.gov/seniorcare/ for the SeniorCare drug search tool.

ePocrates

Providers may also access the Wisconsin Medicaid PDL through ePocrates. ePocrates'

products provide clinical reference information specifically for health care providers to use at the point of care. Prescribers and dispensing providers who use personal digital assistants (PDAs) can subscribe and download the PDL by accessing the ePocrates Web site at www.epocrates.com/.

Implementation of Preferred Drug List

Beginning in October 2004, as initial drug classes are phased in, dispensing providers will receive an informational response on claim submissions for non-preferred drugs.

Informational responses will provide dispensing providers the opportunity to contact the prescriber to change the recipient's prescription to a preferred drug or to begin the PA process when it is clinically necessary for the recipient to remain on a non-preferred drug.

Informational responses do not generate a claim denial.

Dispensing providers will receive explanation of benefits (EOB) code 354 in the real-time claim response in the additional message information field. Explanation of benefits code 354 states, "Non-preferred drug is being dispensed. Please refer to the PDL for preferred drugs in this therapeutic class." Dispensing providers that submit paper drug claims will receive this EOB code on their Remittance and Status (R/S) Report.

Beginning November 1, 2004, claims submitted for non-preferred drugs will be denied unless the dispensing provider submits a claim to Wisconsin Medicaid with an approved PA number. Dispensing providers who submit Point-of-Sale (POS) claims will receive the following EOB and National Council for Prescription Drug Programs (NCPDP) reject codes, indicating a denial in the claim response

The PDL will be phased in by drug class for Wisconsin Medicaid, BadgerCare, and SeniorCare beginning in October 2004 and continuing through 2005.

If a PA/PDL Exemption Request Form is not sent to the dispensing provider by the prescriber for a new prescription or a refill of an existing prescription for a non-preferred drug, the dispensing provider is required to contact the prescriber.

if the claim is not submitted with an approved PA number:

- Explanation of benefits code 366: “Prior authorization is required for non-preferred drugs. Please refer to the PDL for preferred drugs in this therapeutic class.”
- National Council for Prescription Drug Programs reject code 75: “Prior authorization required.”

Dispensing providers will receive EOB code 366 on their R/S Report and NCPDP reject code 75 on the 835 Health Care Claim Payment/Advice transaction.

Dispensing Providers’ Responsibilities for Non-preferred Drugs

Beginning October 1, 2004, PA requests must be submitted for non-preferred drugs. For PA requests, prescribers are required to complete a Prior Authorization/Preferred Drug List (PA/PDL) Exemption Request form, HCF 11075 (Dated 09/04), and mail or fax the completed copy of the form to the dispensing provider where the prescription will be filled. The prescriber may also send a completed copy of the form with the recipient to the dispensing provider. Both the prescriber and dispensing provider are required to retain a completed copy of the PA/PDL Exemption Request. Attachment 1 of this *Update* is a copy of the PA/PDL Exemption Request Form Completion Instructions, HCF 11075A (Dated 09/04). Attachment 2 is a copy of the PA/PDL Exemption Request for photocopying.

If a PA/PDL Exemption Request is not sent to the dispensing provider by the prescriber for a new prescription or a refill of an existing prescription for a non-preferred drug, the dispensing provider is required to contact the prescriber. The prescriber may choose to

change the prescription order to a preferred drug if medically appropriate for the recipient, or the prescriber may complete the PA/PDL Exemption Request form.

Information on the PA/PDL Exemption Request does not replace a prescription. The PA/PDL Exemption Request is required for each PA request.

Submitting Prior Authorization Requests

Current, approved PAs will be honored until their expiration date. Refer to the PDL implementation schedule on the Medicaid Web site for specific information on each drug class.

STAT-PA

Dispensing providers may use the Specialized Transmission Approval Technology-Prior Authorization (STAT-PA) system to submit PA requests for non-preferred drugs. Follow the STAT-PA instructions provided on the PA/PDL Exemption Request. If a dispensing provider submits a PA request using the STAT-PA system, the provider will receive an immediate response. For STAT-PA requests, dispensing providers should call (800) 947-1197 or (608) 221-2096.

If a PA request is submitted for a preferred drug using the STAT-PA system, dispensing providers will receive a response that states, “This is a preferred drug. Prior authorization is not required.” Dispensing providers should submit the claim through the real-time POS system or on a Noncompound Drug Claim form, HCF 13072 (Rev. 06/03).

Paper Prior Authorization

Dispensing providers may submit paper PA requests for non-preferred drugs. A paper PA request consists of a completed Prior Authorization Request Form (PA/RF),

completed by the dispensing provider, and the PA/PDL Exemption Request form, completed by the prescriber. For the PA/RF, follow PA/RF Completion Instructions and indicate process type 131.

Decisions for paper PA requests are made within 20 working days from the receipt of all information necessary to process the request; however, most decisions are made within 10 working days.

Paper PA requests will be returned to providers who submit the PA/PDL Exemption Request for a preferred drug because it is not needed.

Paper PA requests may be submitted by fax to Wisconsin Medicaid at (608) 221-8616 or by mail to the following address:

Wisconsin Medicaid
Prior Authorization
Ste 88
6406 Bridge Rd
Madison WI 53784-0088

Emergency Medication Dispensing

Providers are reminded that, in some cases, a 72-hour emergency medication supply may be dispensed (e.g., if the STAT-PA system is unavailable).

When drugs are dispensed in an emergency situation, providers may submit a Noncompound Drug Claim form with a Pharmacy Special Handling Request form, HCF 13074 (Rev. 06/03), indicating the nature of the emergency.

Send completed Noncompound Drug Claim forms and special handling requests to:

Wisconsin Medicaid
Pharmacy Special Handling
Ste 20
6406 Bridge Rd
Madison WI 53784-0020

Criteria for Prior Authorization for Non-preferred Drugs

Clinical criteria for approval of a non-preferred drug must be documented by the prescriber on the PA/PDL Exemption Request. Criteria for approval of a PA request for a non-preferred drug include the following:

- The recipient has experienced a treatment failure with the preferred product(s).
- The recipient has conditions that prevent the use of the preferred product(s).
- There is a clinically significant drug interaction with another medication and the preferred product(s).
- The recipient has experienced intolerable side effects while on the preferred product(s).

If the recipient's condition does not meet the previously indicated criteria, a paper PA request and peer-reviewed medical literature must be submitted to Wisconsin Medicaid for non-preferred drugs.

Currently, Wisconsin Medicaid requires PA on certain drug classes (e.g., Angiotensin Converting Enzyme inhibitor drugs, Non-Steroidal Anti-Inflammatory Drugs, Proton Pump Inhibitor drugs). These drug classes will continue to require PA following the implementation of the initial drug classes on the PDL. The same clinical criteria that is currently used for these classes of drugs will be used to approve PA requests. Providers can refer to

Paper PA requests will be returned to providers who submit the PA/PDL Exemption Request for a preferred drug because it is not needed.

the STAT-PA drug worksheets for the clinical criteria.

Coordination of Benefits

Providers are required to follow Wisconsin Medicaid PA policies even if a recipient's commercial health insurance has a different policy. Therefore, dispensing providers are required to obtain PA for non-preferred drugs, regardless of other commercial health insurance coverage.

Compound Drugs

Compound drugs are excluded from PDL requirements. Prescribers are not required to complete a PA/PDL Exemption Request form and dispensing providers are not required to obtain PA for non-preferred products that are included in a compound drug.

Diagnosis-Restricted Drugs

Dispensing providers are required to submit a valid *International Classification of Diseases, Ninth Revision, Clinical Modification* diagnosis code on claims for drugs that are diagnosis restricted through Wisconsin Medicaid *and* preferred drugs on the PDL. Diagnosis codes must be submitted on the PA/PDL Exemption Request for non-preferred drugs.

For a non-preferred drug that is diagnosis-restricted and is prescribed for uses outside Food and Drug Administration-approved indications, the prescriber is required to submit peer-reviewed medical literature with the PA/PDL Exemption Request to support the proven efficacy of the requested use of the drug.

Drug Utilization Review

Dispensing providers that submit claims using the POS system for recipients that transition from non-preferred drugs to preferred drugs should be aware that they may see an increase in the number of prospective Drug Utilization Review alerts, specifically the Additive Toxicity and Therapeutic Duplication alerts. Dispensing providers may override these alerts as appropriate.

Wisconsin Medicaid Pharmacy Web Page

Effective immediately, Wisconsin Medicaid will no longer mail quarterly revisions to the data tables on CD or paper. Changes and additions to the data tables and the PDL will now be included on the pharmacy service-specific Web page on the Medicaid Web site at dhfs.wisconsin.gov/medicaid/.

The following data tables will be published monthly to the Medicaid Pharmacy Web page. Effective dates for these tables will be the first of each month:

- Brand medically necessary drugs.
- Diagnosis-restricted drugs.
- Legend Drug Maximum Allowable Cost (MAC) drugs.
- Prior authorization drugs.
- Over-the-counter MAC drugs.
- Preferred Drug List.

The following data tables will be published quarterly to the Medicaid Pharmacy Web page. Effective dates for these tables will be January 1, April 1, July 1, and October 1.

- Health Check "Other Services" covered by Wisconsin Medicaid without PA.
- Less-than-effective/Identical, Related, or Similar drugs.

Effective immediately, Wisconsin Medicaid will no longer mail quarterly revisions to the data tables on CD or paper.

- Manufacturers that have signed rebate agreements.
- Wisconsin Medicaid Noncovered Drugs — Manufacturer Rebates Refused.

Providers should check the Wisconsin Medicaid Web site the first of each month for any changes to the data tables.

Each month, a list of the revised data tables will be provided in the “What’s new on the Web” section of the *Update* Summary.

Providers who do not have Internet access can contact Provider Services at (800) 947-9627 or (608) 221-9883 to obtain paper copies of the PDL, the PDL implementation schedule, and data tables as they are revised. Policy changes will continue to be issued in *Updates*.

Information Regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

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 and SeniorCare participants also.

Wisconsin Medicaid, BadgerCare, and SeniorCare 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 dhfs.wisconsin.gov/medicaid/.

PHC 1250

ATTACHMENT 1
Prior Authorization/Preferred Drug List (PA/PDL)
Exemption Request Completion Instructions
(for photocopying)

(A copy of the "Prior Authorization/Preferred Drug List [PA/PDL] Exemption Request Completion Instructions" [for photocopying] is located on the following pages.)

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WISCONSIN MEDICAID PRIOR AUTHORIZATION / PREFERRED DRUG LIST (PA/PDL) EXEMPTION REQUEST COMPLETION INSTRUCTIONS

Wisconsin Medicaid requires certain information to enable Medicaid to authorize and pay for medical services provided to eligible recipients. Although these instructions refer to Medicaid recipients, all information applies to BadgerCare recipients and SeniorCare participants.

Recipients are required to give providers full, correct, and truthful information for the submission of correct and complete claims for Medicaid reimbursement. This information should include, but is not limited to, information concerning eligibility status, accurate name, address, and Medicaid identification number (HFS 104.02[4], Wis. Admin. Code).

Under s. 49.45(4), Wis. Stats., personally identifiable information about Medicaid applicants and recipients is confidential and is used for purposes directly related to Medicaid administration such as determining eligibility of the applicant, processing prior authorization (PA) requests, or processing provider claims for reimbursement. Failure to supply the information requested by the form may result in denial of PA or Medicaid payment for the services.

The use of this form is voluntary and providers may develop their own form as long as it includes all the information on this form and is formatted exactly like this form. Refer to the Pharmacy Handbook for service restrictions and additional documentation requirements. Provide enough information for Wisconsin Medicaid, BadgerCare, or SeniorCare to make a reasonable judgement about the case. Prescribers and dispensing physicians are required to retain a completed copy of the form.

When using the Prior Authorization/Preferred Drug List (PA/PDL) Exemption Request, prescribers are required to complete and sign the form. Dispensing providers (e.g., pharmacies, dispensing physicians, federally qualified health centers, blood banks) must use the PA/PDL Exemption Request to request PA using the Specialized Transmission Approval Technology-Prior Authorization (STAT-PA) system or by submitting a paper PA request. For STAT-PA requests, dispensing providers should call (800) 947-1197 or (608) 221-2096. Dispensing providers may submit paper PA requests by fax to Wisconsin Medicaid at (608) 221-8616. Dispensing providers who wish to submit paper PA requests by mail may do so by submitting a Prior Authorization Request Form (PA/RF) and a PA/PDL Exemption Request to the following address:

Wisconsin Medicaid
Prior Authorization
Ste 88
6406 Bridge Rd
Madison WI 53784-0088

The provision of services that are greater than or significantly different from those authorized may result in nonpayment of the billing claim(s).

SECTION I — RECIPIENT INFORMATION

Element 1 — Name — Recipient

Enter the recipient's last name, followed by his or her first name and middle initial. Use the Eligibility Verification System (EVS) to obtain the correct spelling of the recipient's name. If the name or spelling of the name on the Medicaid identification card and the EVS do not match, use the spelling from the EVS.

Element 2 — Date of Birth — Recipient

Enter the recipient's date of birth in MM/DD/YYYY format (e.g., September 8, 1996, would be 09/08/1996).

Element 3 — Recipient Medicaid Identification Number

Enter the recipient's 10-digit Medicaid identification number. Do not enter any other numbers or letters.

SECTION II — PRESCRIPTION INFORMATION

If this section is completed, providers do not need to include a copy of the prescription documentation used to dispense the product requested.

Element 4 — Drug Name

Enter the drug name.

Element 5 — Strength

Enter the strength of the drug listed in Element 4.

Element 6 — Date Prescription Written

Enter the date the prescription was written.

Element 7 — Directions for Use

Enter the directions for use of the drug.

Element 8 — Diagnosis — Primary Code and/or Description

Enter the appropriate *International Classification of Diseases, Ninth Edition, Clinical Modification* (ICD-9-CM) diagnosis code and/or description most relevant to the drug or biologic requested. The ICD-9-CM diagnosis code must match the ICD-9-CM description.

Element 9 — Name — Prescriber

Enter the name of the prescriber.

Element 10 — Drug Enforcement Agency Number

Enter the nine-character Drug Enforcement Agency (DEA) number of the prescribing provider. This number must be two alpha characters followed by seven numeric characters. If the DEA number cannot be obtained or the prescriber does not have a DEA number, use one of the following default codes:

XX5555555 — Prescriber's DEA number cannot be obtained.

XX9999991 — Prescriber does not have a DEA number.

These default codes must *not* be used for prescriptions for controlled substances.

Element 11 — Address — Prescriber

Enter the complete address of the prescriber's practice location, including the street, city, state, and zip code.

Element 12 — Telephone Number — Prescriber

Enter the telephone number, including the area code, of the office, clinic, facility, or place of business of the prescriber.

SECTION III — CLINICAL INFORMATION

Include diagnostic, as well as clinical information, explaining the need for the product requested. In Elements 13 through 16, check "yes" to all that apply.

Element 13

Check the appropriate box to indicate if the recipient has experienced treatment failure with the preferred product(s). If yes, indicate the failed drug(s) and the dates the drug(s) was taken.

Element 14

Check the appropriate box to indicate if the recipient has a condition(s) preventing the use of the preferred product(s). If yes, indicate the condition(s) the recipient experienced that prevent the use of the preferred product(s).

Element 15

Check the appropriate box to indicate if there is a clinically significant drug interaction between another medication the recipient is taking and the preferred product(s). If yes, indicate the medication interaction experienced.

Element 16

Check the appropriate box to indicate if the recipient has experienced intolerable side effects while on the preferred product(s). If yes, indicate the intolerable side effects the recipient experienced.

Element 17 — Signature — Prescriber

The prescriber is required to complete and sign this form.

Element 18 — Date Signed

Enter the month, day, and year the PA/PDL Exemption Request was signed (in MM/DD/YYYY format).

SECTION IV — FOR DISPENSING PROVIDERS USING STAT-PA

Element 19 — National Drug Code

Enter the appropriate 11-digit National Drug Code (NDC) code for each drug or biologic.

Element 20 — Days' Supply Requested

Enter the requested days' supply.

Element 21 — Wisconsin Medicaid Provider Identification Number

Enter the provider's eight-digit Wisconsin Medicaid provider identification number.

Element 22 — Date of Service

Enter the requested first date of service for the drug or biologic. For STAT-PA requests, the date of service may be up to 31 days in the future or up to four days in the past.

Element 23 — Place of Service

Enter the appropriate National Council for Prescription Drug Programs (NCPDP) patient location code designating where the requested item would be provided/performed/dispensed.

Code	Description
00	Not specified
01	Home
04	Long Term/Extended care
07	Skilled Care Facility
10	Outpatient

Element 24 — Assigned Prior Authorization Number

Record the seven-digit PA number assigned by the STAT-PA system.

Element 25 — Grant Date

Record the date the PA was approved by the STAT-PA system.

Element 26 — Expiration Date

Record the date the PA expires as assigned by the STAT-PA system.

Element 27 — Number of Days Approved

Record the number of days for which the STAT-PA request was approved by the STAT-PA system.

SECTION V — ADDITIONAL INFORMATION

Element 28

Indicate any additional information in the space provided. Additional diagnostic and clinical information explaining the need for the product requested may also be included here.

ATTACHMENT 2
Prior Authorization/Preferred Drug List (PA/PDL)
Exemption Request (for photocopying)

(A copy of the "Prior Authorization/Preferred Drug List [PA/PDL] Exemption Request"
[for photocopying] is located on the following pages.)

**WISCONSIN MEDICAID
PRIOR AUTHORIZATION / PREFERRED DRUG LIST (PA/PDL) EXEMPTION REQUEST**

INSTRUCTIONS: Type or print clearly. Before completing this form, read the Prior Authorization/Preferred Drug List (PA/PDL) Exemption Request Completion Instructions (HCF 11075A).

Dispensing providers must have a completed PA/PDL Exemption Request signed by the prescriber before calling Specialized Transmission Approval Technology-Prior Authorization (STAT-PA) or submitting a paper PA request.

SECTION I — RECIPIENT INFORMATION

1. Name — Recipient (Last, First, Middle Initial)	2. Date of Birth — Recipient
3. Recipient Medicaid Identification Number	

SECTION II — PRESCRIPTION INFORMATION

4. Drug Name	5. Strength
6. Date Prescription Written	7. Directions for Use
8. Diagnosis — Primary Code and/or Description	
9. Name — Prescriber	10. Drug Enforcement Agency Number
11. Address — Prescriber (City, State, Zip Code)	
12. Telephone Number — Prescriber	

SECTION III — CLINICAL INFORMATION

13. Has the recipient experienced treatment failure with the preferred product(s)? Yes No
If Yes, list the preferred drugs that failed and the dates taken below:

14. Does the recipient have a condition(s) preventing the use of the preferred product(s)? Yes No
If Yes, list the conditions below:

15. Is there a clinically significant drug interaction between another medication the recipient is taking and the preferred product(s)? Yes No
If Yes, list the medications and interaction(s) below:

16. Has the recipient experienced intolerable side effects while on the preferred product(s)? Yes No
If Yes, list the side effects below:

17. SIGNATURE — Prescriber	18. Date Signed
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SECTION IV — FOR DISPENSING PROVIDERS USING STAT-PA

19. National Drug Code (11 digits)		20. Days' Supply Requested*
21. Wisconsin Medicaid Provider Identification Number (Eight digits)		
22. Date of Service (MM/DD/YYYY) (For STAT-PA requests, the date of service may be up to 31 days in the future and / or up to four days in the past.)		
23. Place of Service (Patient Location) (Use patient location code "00" [Not specified], "01" [Home], "04" [Long Term/Extended Care], "07" [Skilled Care Facility], or "10" [Outpatient])		
24. Assigned Prior Authorization Number (Seven digits)		
25. Grant Date	26. Expiration Date	27. Number of Days Approved

*Days' supply requested equals the total number of days requested for the PA. For example, for a one-year PA, providers should enter "365."

SECTION V — ADDITIONAL INFORMATION

28. Include any additional information in the space below. For example, providers may include that this PA request is being submitted for a recipient who was granted retroactive eligibility by Wisconsin Medicaid, BadgerCare, or SeniorCare.