

To:
Blood Banks
Dispensing
Physicians
Pharmacies
HMOs and Other
Managed Care
Programs

New Dispense as Written Code in Point-of-Sale Claims Processing System

Effective on and after January 1, 2006, pharmacy providers will be allowed to indicate a new National Council for Prescription Drug Programs Dispense as Written (DAW) code on claims submitted to Wisconsin Medicaid. The new DAW code is "5" (Substitution Allowed; Brand Name Drug Dispensed as Generic).

Pharmacy providers may only indicate DAW code "5" for drugs on the Legend Drug Maximum Allowed Cost (MAC) List. This will allow a provider who purchases brand name drugs below the MAC rate to dispense these drugs to a recipient without Medicaid brand medically necessary policy restrictions.

If a pharmacy provider receives a prescription for a brand name drug on the MAC List and "brand medically necessary" is *not* handwritten on the prescription, DAW code "5" may be indicated on the claim. The provider will be reimbursed the MAC rate for the brand name drug and may collect the generic copayment from the Medicaid recipient or SeniorCare participant. The provider is not required to obtain brand medically necessary prior authorization when submitting a claim for a brand name drug with DAW code "5."

Prior authorization is required for prescriptions for brand name drugs on the MAC List if "brand medically necessary" is handwritten on the prescription.

Providers are required to submit claims to Wisconsin Medicaid for their usual and customary charge for services provided.

For More Information

For additional information about brand medically necessary drugs, refer to the April 2005 *Wisconsin Medicaid and BadgerCare Update* (2005-24), titled "Expanded Brand Medically Necessary Prior Authorization Criteria," or the August 2004 *Update* (2004-62), titled "Pharmacy Information on Prior Authorization Requirements for Brand Medically Necessary Drugs."

Refer to the Legend Drug Maximum Allowed Cost List in the Pharmacy Data Tables section of the Medicaid Pharmacy Web site at dhfs.wisconsin.gov/medicaid/pharmacy/ for current MAC reimbursement rates.

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/.

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