



Update
February 2010

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Affected Programs: BadgerCare Plus, Medicaid, SeniorCare

To: Home Health Agencies, Nurse Midwives, Nurse Practitioners, Pharmacies, Physician Clinics, Physicians, Rural Health Clinics, Federally Qualified Health Centers, HMOs and Other Managed Care Programs

Clarification and New Policies for Drugs for Prescribers

This *ForwardHealth Update* clarifies certain pharmacy policies and contains two new policies for prescribers.

Drugs Without a Signed Manufacturer Rebate Agreement

By federal law, pharmaceutical manufacturers who participate in state Medicaid programs must sign a rebate agreement with the Centers for Medicare and Medicaid Services. BadgerCare Plus, Medicaid, and SeniorCare will cover legend and specific categories of over-the-counter (OTC) products of manufacturers who have signed a rebate agreement.

Note: SeniorCare does not cover OTC drugs, except insulin.

Members Enrolled in the BadgerCare Plus Standard Plan, Medicaid, or SeniorCare (Levels 1 and 2a)

BadgerCare Plus, Medicaid, and SeniorCare levels 1 and 2a may cover certain Food and Drug Administration-approved legend drugs through the prior authorization (PA) process even though the drug manufacturers did not sign rebate agreements.

To submit a PA request for a drug without a signed rebate agreement, the prescriber should complete and submit the Prior Authorization/Drug Attachment (PA/DGA), F-11049 (10/08), to the pharmacy where the

drug will be dispensed. Pharmacies should complete the Prior Authorization Request Form (PA/RF), F-11018 (10/08), and submit both forms and any supporting documentation to ForwardHealth. Prior authorizations can be submitted by paper, fax, or on the ForwardHealth Portal.

Included with the PA, the prescriber is required to submit documentation of medical necessity *and* cost-effectiveness that the non-rebated drug is the only available and medically appropriate product for treating the member. The documentation must include the following:

- A copy of the medical record or documentation of the medical history detailing the member's medical condition and previous treatment results.
- Documentation by the prescriber that shows why other drug products have been ruled out as ineffective or unsafe for the member's medical condition.
- Documentation by the prescriber that shows why the non-rebated drug is the most appropriate and cost-effective drug to treat the member's medical condition.

If a PA request for a drug without a signed manufacturer rebate is approved, claims for drugs without a signed rebate agreement must be submitted on paper. Providers should complete and submit the Noncompound Drug

Claim, F-13072, (10/08) indicating the actual National Drug Code (NDC) of the drug with the Pharmacy Special Handling Request form, F-13074 (10/08).

If a PA request for a drug without a signed manufacturer rebate is denied, the service is considered noncovered.

SeniorCare (Levels 2b and 3)

Prior Authorization is not available for drugs from manufacturers without a separate, signed SeniorCare rebate agreement for members in levels 2b and 3. Prior authorization requests submitted for drugs without a separate, signed SeniorCare rebate agreement for members in levels 2b and 3 will be returned to the providers unprocessed and the service will be noncovered. Members do not have appeal rights regarding returned PA requests for noncovered drugs.

The BadgerCare Plus Benchmark and the BadgerCare Plus Core Plan

Prior authorization is not available for drugs that are not included on the BadgerCare Plus Benchmark Covered National Drug Code, BadgerCare Plus Core Plan National Drug Code List, and the BadgerCare Plus Core Plan Brand Name Drugs — Quick Reference. Prior authorization requests submitted for noncovered drugs will be returned to the provider unprocessed and the service will be noncovered. Members do not have appeal rights regarding returned PA requests for noncovered drugs.

Drugs for Erectile Dysfunction

ForwardHealth does not cover drugs to treat the condition of Erectile Dysfunction (ED). Examples of noncovered drugs for ED are Viagra® and Cialis®.

Drug Enforcement Agency Number Audits

All prescriptions for controlled substances must indicate the Drug Enforcement Agency number of the prescriber on all prescriptions. Drug Enforcement Agency numbers are not required on claims or PAs.

Age- and Gender-Restricted Drugs

Effective for dates of service (DOS) on and after March 1, 2010, contraceptives will be covered for females who are 10 through 65 years of age.

ForwardHealth has adopted the gender restriction coding from First DataBank. The gender restrictions are automatically updated by First DataBank.

Brand Medically Necessary Drugs

If a brand name drug being prescribed is not on the Brand Medically Necessary Drugs that Require Prior Authorization data table, providers may prescribe the drug without brand medically necessary PA, if all other conditions are met. Providers should refer to the Brand Medically Necessary Drugs that Require Prior Authorization list on the Pharmacy page of the Portal at www.forwardhealth.wi.gov/ for a complete list.

Brand Medically Necessary Prior Authorization

The prescriber is required to document specific details about the previous treatment(s) with generic equivalent drugs, including the dose of medication and the approximate dates the generic equivalent drugs were taken. In most circumstances, it will be necessary for a member to try more than one generic equivalent drug before a brand medically necessary PA request may be approved by ForwardHealth.

Responsibilities for the prescriber include:

- Provide a prescription with “Brand Medically Necessary” written in the prescriber’s own handwriting.
- Obtain and complete Prior Authorization/Brand Medically Necessary Attachment (PA/BMNA), F-11083 (10/08).
- Prescribers are responsible for providing pharmacy providers with the required brand medically necessary documentation to assist pharmacy providers in obtaining PA.

Criteria for approval of a PA request for a brand medically necessary drug include the following:

- Treatment failure(s) with the generic equivalent drug(s).
- Clinically significant adverse drug reaction(s) to the generic equivalent drug(s).
- Allergic reaction(s) to the generic equivalent drug(s).
- A medical condition that causes a contraindication to the use of the generic equivalent drug(s).

Providers may refer to the ForwardHealth Online Handbook on the Portal at www.forwardhealth.wi.gov/ for more information about brand medically necessary policy.

Convenience and Combination Packaging

ForwardHealth does not reimburse for convenience and combination packaging. Drugs that are sold in small package sizes (e.g., single-use packages) are considered to be convenience packaging. Drugs that are sold in a package that includes a prescription drug along with a noncovered item; such as an OTC drug (fish oil), a personal care item (skin moisturizer), a common medicine chest item (Band-Aid®) are combination packaging. In some cases, the drug may be separately reimbursable. For example, an acne agent packaged with an OTC face wash is not covered, but the acne agent maybe covered by itself.

Effective for DOS on and after April 1, 2010, convenience and combination packaging will be noncovered products. Therefore, the member must be prescribed a preferred drug or PA may be required for a non-preferred product.

Providers may refer to the Drug Search Tool on the Portal at www.forwardhealth.wi.gov/.

Drug-Related HCPCS Codes

If a pharmacy's drug claim with an NDC is received by ForwardHealth and a subsequent professional claim for the same drug is received from a clinic with the

equivalent drug-related Healthcare Common Procedure Coding System procedure code, having a DOS that is within seven days of the pharmacy's DOS, then the clinic's claim will be denied as a duplicate claim. For example, a member may receive albuterol inhalation solution at a clinic and then fill a prescription at the pharmacy for the same drug within seven days. If the first claim received is the pharmacy's drug claim, it will be paid if all billing requirements are met. The clinic's claim for the drug, being the second claim received, will be denied as a duplicate with Explanation of Benefit (EOB) code 1309, which states "This drug has been paid under an equivalent code within seven days of this Date."

Reconsideration of the denied claim may occur if the claim was denied with EOB code 1309 and the drug therapy was due to the treatment of an acute condition. These denied claims should be submitted on paper to the following address:

ForwardHealth
Provider Services Written Correspondence
6406 Bridge Rd
Madison WI 53784-0005

More Information

Providers may refer to the Online Handbook on the Portal at www.forwardhealth.wi.gov/ for more detailed information about ForwardHealth's pharmacy policies. Providers may also call Provider Services (800) 947-9627 with questions about pharmacy policies.

The Pharmacy data tables can be found by clicking the "Provider-specific Resources" link on the Provider area of the Portal. The data tables can found by finding "Pharmacy" and selecting the "More Information" link. This page has the pharmacy Preferred Drug Lists as well as the Drug Search Tool.

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization. Managed care organizations are required to provide at least the same benefits as those provided under fee-for-service arrangements.

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

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Health Care Access and Accountability, Wisconsin Department of Health Services (DHS). The Wisconsin Well Woman Program is administered by the Division of Public Health, Wisconsin DHS.

For questions, call Provider Services at (800) 947-9627 or visit our Web site at www.forwardhealth.wi.gov/.

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