ForwardHealth
Wisconsin serving you

Update
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Affected Programs: BadgerCare Plus, Medicaid, SeniorCare, Wisconsin AIDS Drug Assistance Program, Wisconsin Chronic Disease Program
To: Family Planning Clinics, Federally Qualified Health Centers, Hospital Providers, Independent Labs, Narcotic Treatment Services Providers, Nurse Midwives, Nurse Practitioners, Pharmacies, Physician Assistants, Physician Clinics, Physicians, Podiatrists, Prenatal Care Coordination Providers, Rural Health Clinics, HMOs and Other Managed Care Programs

New and Clarified Pharmacy Policy and Claims Submission Requirements

This *ForwardHealth Update* includes new policy and important reminders and clarifies pharmacy policy previously published in the March 2017 *Update* (2017-07), titled "Changes to Billing and Reimbursement Policy for Covered Outpatient Drugs." Additionally, this *Update* includes important reminders for submitting claims to ForwardHealth for drugs purchased through the 340B Drug Pricing Program (340B Program).

Compound Drug Claim Duplicates

As a reminder, duplicate services may not be reimbursed. Effective for dates of service (DOS) on and after November 1, 2017, ForwardHealth will monitor duplicate compound drugs submitted for the same DOS. Exact duplicate compound drug claims for the same DOS will be denied.

Basis of Cost Determination and Submission Clarification Code

The Basis of Cost Determination is a required field in which the provider is required to submit the appropriate code indicating the method by which "ingredient cost submitted" was calculated. Providers are responsible for submitting a valid Basis of Cost Determination value, per the ForwardHealth Payer Sheet: National Council for Prescription Drug Programs (NCPDP) Version D.0, P-00272 (10/2017). When a claim is for a drug purchased through the 340B Program, the Basis of Cost Determination field must contain a value of "8" (340B/Disproportionate Share Pricing/Public Health Service); in addition, there must be an appropriate corresponding Submission Clarification Code of "2" (Other Override) or "20" (340B). More information about submission clarification codes is available in the following section of this *Update*.

Effective for DOS on and after November 1, 2017, ForwardHealth will deny claims with Basis of Cost Determination and Submission Clarification Code values that do **not** correspond.

Claims for Drugs Purchased Through the 340B Drug Pricing Program

As a reminder, providers are required to submit accurate claim-level identifiers to identify claims for drugs purchased through the 340B Program. ForwardHealth uses submission clarification codes on compound and noncompound drug claims and a modifier on professional claims to identify claims for drugs purchased through the 340B Program. ForwardHealth monitors claims for the appropriate submission clarification code or modifier based on whether or not providers have designated themselves as a covered entity on the Health Resources & Services Administration (HRSA) 340B Medicaid Exclusion File (MEF).

ForwardHealth uses claim-level identifiers to identify claims for drugs purchased through the 340B Program in order to exclude these claims from the drug rebate invoicing process. It is the responsibility of the 340B covered entity to indicate the actual acquisition cost (AAC) and to correctly report claims filled with 340B inventory for 340B-eligible members to ensure rebates are not collected for these drugs. If a rebate is received by ForwardHealth for a drug purchased through the 340B Program due to incorrect claim-level identifiers, the 340B covered entity will be responsible to reimburse the manufacturer the 340B discount.

As a reminder, a 340B contract pharmacy must carve-out ForwardHealth from its 340B operation and purchase all drugs billed to ForwardHealth outside of the 340B Program.

Pharmacy Compound and Noncompound Submission Clarification Codes for Drugs Purchased Through the 340B Program

As a reminder, the following submission clarification codes are applicable to pharmacy compound and noncompound drug claims submitted by 340B providers:

- "20" (340B) — Providers who submit a compound or noncompound drug claim for a drug purchased through the 340B Program are required to enter submission clarification code "20" to indicate that the provider determined the drug being billed on the claim was purchased pursuant to rights available under Section 340B of the Public Health Act of 1992. ForwardHealth uses the submission clarification code value of "20" to apply 340B reimbursement and to ensure that only eligible claims are being used to obtain drug manufacturer rebates. The claim will be reimbursed at the lesser of the calculated 340B ceiling price or the provider-submitted 340B AAC plus a professional dispensing fee. If a calculated 340B ceiling price is not available for a drug, ForwardHealth will reimburse the 340B ingredient cost at the lesser of Wholesale Acquisition Cost (WAC) minus 50 percent or the provider-submitted 340B AAC plus a professional dispensing fee.
- "99" (Other) — If a provider who is listed on the HRSA 340B MEF submits a compound or noncompound drug claim without submission clarification code "20," the claim will be denied with an Explanation of Benefits (EOB) code stating they are a 340B provider submitting a claim for a drug not purchased through the 340B Program. Once a provider has verified that the claim is not for a drug purchased through the 340B Program, they should resubmit the claim with submission clarification code "99" to verify that the claim was submitted as intended and is not a claim for a drug purchased through the 340B Program. A claim with a submission clarification code of "99" will be reimbursed at the lesser of the current ForwardHealth reimbursement rate or the billed amount plus a professional dispensing fee. 340B reimbursement will not be applied.
- "2" (Other Override) — If a submitting provider is not listed on the HRSA 340B MEF but submits a compound or noncompound drug claim for a drug purchased through the 340B Program (by indicating a submission clarification code of "20"), the claim will be denied with an EOB code stating they are not on the HRSA 340B MEF. If the provider believes they are or should be on the HRSA 340B MEF as a 340B-covered entity choosing to carve-in for Wisconsin Medicaid, the provider should resubmit the claim with submission clarification code "2" to indicate that the claim is for a drug purchased through the 340B Program. The provider should also contact HRSA to update the HRSA 340B MEF with the provider's information. Covered entities are responsible for the accuracy of the information in the HRSA 340B MEF. A claim with a submission clarification code of "2" will be reimbursed at the lesser of the calculated 340B ceiling price or the provider-submitted 340B AAC plus a professional dispensing fee. If a calculated 340B ceiling price is not available for a drug, ForwardHealth will reimburse 340B ingredient cost at the lesser of WAC minus 50 percent or the provider-submitted 340B AAC plus a professional dispensing fee.

Professional Claim Modifier for Drugs Purchased Through the 340B Program

As a reminder, professional claim formats require a "UD" modifier in order to identify claims for drugs purchased through the 340B Program. Providers who submit professional claims for provider-administered drugs purchased through the 340B Program to ForwardHealth for DOS on and after April 1, 2017, are required to indicate modifier UD for each Healthcare Common Procedure Coding System procedure code to indicate that the provider determined that the product being billed on the claim detail was purchased pursuant to rights available under Section 340B of the Public Health Act of 1992. ForwardHealth uses modifier UD to identify that a claim is for a provider-administered drug purchased through the 340B Program and to ensure that only eligible claims are being used to obtain drug manufacturer rebates. Providers should only submit claims for drugs purchased through the 340B Program if the provider is present on the HRSA 340B MEF.

In addition, providers are required to submit their AAC when they submit claims for provider-administered drugs purchased through the 340B Program. Provider-administered drugs purchased through the 340B Program will be reimbursed at the lesser of the maximum allowable fee or the provider-submitted AAC.

Specialty Drug Classification

As a reminder, ForwardHealth defines specialty drugs as drugs requiring comprehensive patient care services, clinical management, and product support services. This definition includes the following criteria:

- Drugs prescribed for complex, chronic, or rare medical conditions
- Drugs not routinely stocked at a majority of retail community pharmacies
- Drugs that require special handling, storage, inventory, or distribution
- Drugs that require complex education and treatment maintenance

Drug classes in which the majority of the drugs do not have an available National Average Drug Acquisition Cost (NADAC) are identified as specialty drugs. Drugs that may be dispensed by a retail community pharmacy and that belong to drug classes in which the majority of drugs within the therapeutic category have a NADAC are **not** classified as specialty drugs.

Per ForwardHealth's definition of specialty drugs, the following drug classes are no longer classified as specialty drugs:

- Cytokine and cell adhesion molecule antagonists
- HIV
- Miscellaneous: antipsychotic injectable
- Miscellaneous: hyperparathyroidism
- Organ transplant/immunosuppressant
- Osteoporosis

Providers should refer to the State and Specialty Pharmacy Drug Reimbursement Rates data table on the Pharmacy Resources page of the ForwardHealth Portal for a list of drugs that receive specialty pharmacy drug reimbursement rates.

Prescription Volume Attestation

As a reminder, providers who submit compound and noncompound drug claims to ForwardHealth with National Drug Codes are required to attest to their overall annual prescription volume annually. ForwardHealth uses providers' self-reported annual prescription volume to assign professional dispensing fee reimbursement rates. The annual attestation process is mandatory for all providers and organizations that dispense covered outpatient drugs. Providers are subject to audits at ForwardHealth's discretion.

Federally Qualified Health Centers and out-of-state providers will automatically be assigned a professional dispensing fee and will not be required to attest to their overall annual prescription volume.

The 2018 prescription volume attestation process will be conducted in the same manner as the 2017 prescription volume attestation process. Providers who are required to attest will be notified in a future communication. As a reminder, providers should ensure that their contact

information is current with ForwardHealth in order to receive important communications. Providers can notify ForwardHealth of changes using the demographic maintenance tool on the Portal. For more information about the demographic maintenance tool, providers may refer to the Demographic Maintenance Tool topic (topic #16737) in the Portal chapter of the Resources section of the ForwardHealth Online Handbook.

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy for members enrolled in Medicaid and BadgerCare Plus who receive pharmacy services on a fee-for-service basis only. Pharmacy services for Medicaid members enrolled in the Program of All-Inclusive Care for the Elderly (PACE) and the Family Care Partnership are provided by the member's managed care organization (MCO). Members who are enrolled in the Wisconsin Chronic Disease Program only are not enrolled in MCOs.

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 Medicaid Services, the Wisconsin Department of Health Services (DHS). The Wisconsin AIDS Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health, DHS.

For questions, call Provider Services at 800-947-9627 or visit our website at *www.forwardhealth.wi.gov/*.

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