

M E M O R A N D U M

May 23, 2003

TO: All Pharmacies Participating in the North Dakota Medicaid Program

FROM: Brendan K. Joyce, PharmD, Administrator, Pharmacy Services

SUBJECT: Dispensing Fee, Proton Pump Inhibitors, Quantity Limits, Medicare crossovers

Dispensing Fee

In the very near future, the department will modify the dispensing fee to what was intended all along. Currently, the dispensing fee is \$5.10 (implemented January 6, 2003 as part of the MAC list implementation). When the programming is completed, generic drugs will increase to \$5.60 and brand drugs will change to \$4.60. This will mirror many private insurance practices and more appropriately direct the increase in the dispensing fee to generic drugs. The exact date for this change is not known at this time but we will keep the ND Pharmaceutical Association updated.

Proton Pump Inhibitors

We continue to see excellent results in the Proton Pump Inhibitor initiative spearheaded by ND Pharmacists. The Drug Utilization Review Board has reviewed PPI's and has recommended that the department encourage use of the least expensive PPI's since they are essentially therapeutically equivalent. The DUR Board also believes that pharmacists should encourage physicians to write for the least expensive products.

DUR Board Recommendation for PPI's

- Prevacid®, Protonix®, and Aciphex®
 - **Using one of the above PPI's saves the department a minimum of \$0.70 per pill**
 - Please note, generic Prilosec®, or omeprazole, is one of the products that **cost** the department a minimum of **\$0.70 extra** per pill

Action

- The DUR Board would recommend that when pharmacies see prescriptions for a PPI other than the three mentioned above, the physician should be called and informed how switching to another PPI could save a large amount of money.

Quantity Limitations

We have enclosed a large print out of quantity limits that will go into effect after Memorial Day. House Bill 1430, which was primarily dealing with prior authorization, also included the following language.

SECTION 9. Maximum allowable costs and use of edits. To promote efficiency and savings in the department's service to eligible medical assistance program recipients, the department shall create and implement the broadest possible list of drugs that can be paid at the maximum allowable costs.

To further promote efficiency and savings, **the department shall maximize use of edit programs** that pertain to payment of medical assistance program pharmaceutical claims. Upon request of a member of the legislative assembly, the department shall provide to that member a summary of edit programs available to the medical assistance program and a description of the department's progress in implementing the edit programs.

This has resulted in the department evaluating a number of medications and establishing quantity limits on these drugs. This list has been evaluated by a number of pharmacists over the past months as well as the DUR Board. NDPhA has assisted the department in finding pharmacists to evaluate the list for appropriateness.

While the majority of these quantity limits will not impact the majority of claims, I would like to draw your attention to a small number of edits that will be noticed.

- Triptans. These products all received quantity limits based on, at a minimum, package insert guidelines for use. There are a number of patients that are using these products as a preventative medicine, which is not justified in the literature. These patients are often taking scheduled doses (e.g. Zomig 2.5 mg bid, #60 for a 30 day supply). We hope that the quantity limits will force practitioners to re-evaluate such instances for medical appropriateness.
- Fluoxetine 40 mg capsules. As you are well aware, the price for fluoxetine 40 mg capsules is \$2.19 per pill while the price for fluoxetine 20 mg capsules is \$0.26 per pill. Since most pharmacists would have their family members switch to 20 mg capsules if they were taking 40 mg per day, we established a limit on fluoxetine 40 mg capsules that will encourage this cost effective switch for Medicaid clients.
- Unit of use products (e.g. inhalers, creams). The majority of pharmacies are able to submit claims with units reflecting metric decimal quantity. Our system is able to receive claims with decimals to the tenths for older NCPDP versions and to the thousandths for NCPDP version 5.1. There are many pharmacies that submit claims with rounded quantities and this results in a significant number of drug rebate disputes. By implementing these quantity limits, the amount paid will be calculated more appropriately and the drug rebate disputes will drop off dramatically. Please call me if there are problems with your system being able to send metric decimal quantities.

When billing, the limit per day (limit/day on enclosed print out) is to serve as your guide. The quantity you are dispensing divided by the days supply must be lower than the number in this column for the product to go through. Therefore, if you are dispensing one Ventolin inhaler (limit/day = 1.5), the day's supply must be a minimum of 12 days ($17/12 = 1.42$). If you would put in a limit of 11 days, it would be denied ($17/11 = 1.55$).

Medicare Crossover Billing

Previously, when billing ND Medicaid manually for the co-insurance and deductible for Medicare patients, you would use the 'Medicare Crossover' form. With programming changes completed last month, that form is no longer used and you may destroy all copies you may have on file (Claim Form-Medicare Crossover; SFN 600F1/637). The process is now as follows.

- For products that are currently billed to ND Medicaid with an NDC number, you are to bill the product on the usual paper pharmacy claim form (Claim Form-Drug/Pharmacy; SFN 634).
- For durable medical supplies that do not have an NDC number, you must bill the product on a HCFA 1500 form.

Once again, the above instructions are only for Medicare crossover bills when you are billing us via paper claim.