

Attention Pharmacy Providers

Single Preferred Drug List Implementation Updates

Effective October 1, 2020, Medicaid health plans have transitioned to coverage that is identical to Fee For Service Medicaid for drugs in PDL classes. As part of this process, the Medicaid health plans were also required to implement Medicaid Drug Rebate Program logic and a mandatory \$3.00 dispensing fee for state defined independent pharmacies. The following information may assist with some challenges and requirements resulting from the transition.

Independent pharmacy dispensing fee change

Beginning October 1, 2020, Medicaid health plans are contractually required to pay at least a \$3.00 professional dispensing fee per prescription to pharmacies with a Community Health Automated Medicaid Processing System (CHAMPS) provider specialty of 'Independent'.

A conflict was identified on October 1 which blocked some National Provider Numbers from being reimbursed the appropriate fee on claims. This conflict was resolved on October 5 and claims began paying the appropriate fee in the early afternoon. We're currently working with our claims processor to ensure that affected pharmacies are reimbursed for any fees not reimbursed appropriately prior to the correction. Additional outreach and updated communications will be posted as needed. We apologize for any inconvenience or confusion that this may have caused.

PDL brand name drugs that are preferred over generic equivalents – proper reimbursement

As with Fee For Service Medicaid pharmacy coverage, under the Single PDL there are brand products that are preferred over their generic equivalent. A full list is available by visiting two resources:

- The MDHHS website at michigan.magellanrx.com/provider/documents > Other Drug Information > Brand Preferred Over Generic Products List
 - Direct Link: michigan.magellanrx.com/provider/external/medicaid/mi/doc/en-us/MIRx_brand_over_generic.pdf
- The Blue Cross Complete website at mibluecrosscomplete.com and refer to the searchable or printable formularies found under Member Benefits > Pharmacy Benefits > Preferred Drug List

Highly utilized examples of preferred brand products include: Advair Diskus, Humalog products, ProAir HFA and Proventil HFA (other albuterol inhaler products are non-preferred) and Symbicort.

Please note the following (IMPORTANT):

- Carve out drugs listed on the Brand Preferred Products List must still be billed through Fee For Service Medicaid
- **PROPER REIMBURSEMENT**

- Adjudication of a generic rather than the preferred brand product will result in return of *NCPDP reject error 606 - BRAND DRUG/SPECIFIC LABELER CODE REQUIRED*.
- When processing a claim for the preferred brand, it is very important that a DAW-9 (Other/Substitution Allowed- Plan Requests Brand Dispensed) is submitted on the claim. This allows the pharmacy claim to pay at the brand rate rather than a generic or MAC rate.
 - If you notice your ingredient cost reimbursement is at the generic rate then check to make sure DAW-9 was submitted.

Medicaid drug reimbursement program

In order for Medicaid Health Plans to comply with Fee For Service encounter reimbursement requirements, MDRP logic has been applied to the claims processing system. Unless there is an allowed exception made (i.e. certain vaccines, diabetic testing supplies, etc.) only products with a rebate through the Centers for Medicaid & Medicaid Services are eligible for reimbursement on a pharmacy claim. This is the same logic applied by Fee For Service Medicaid.

If a claim is adjudicated with an NDC lacking an approved MDRP labeler code, the claim will return **NCPDP reject error AC - PRODUCT NOT COVERED NON-PARTICIPATING MANUFACTURER** and **NCPDP reject error 70 - PRODUCT/SERVICE NOT COVERED**. NCPDP reject error AC, alone or with error 70, doesn't necessarily mean that all similar products aren't covered. It simply means that the particular NDC submitted isn't covered due to the ineligible labeler portion of the code.

For reference, rebate eligible labeler codes can be found on the CMS website at data.medicaid.gov > Drug Pricing & Payment > Drug Products in the Medicaid Drug Rebate Program. The available database contains product NDCs which are eligible.

Common formulary and additional PDL information

Additional formulary information for the Medicaid Health Plans is available by visiting michigan.gov/mcopharmacy.

PDL specific references can be found by visiting the MDHHS FFS website at michigan.magellanrx.com/ > Provider Portal

Help Desk Assistance

Please don't hesitate to contact our PerformRx Provider Services Helpdesk at **1-888-989-0057** (prompt #3) for assistance with claim adjudication question or claim issues which aren't able to be resolved through your own troubleshooting process. A helpdesk representative will be ready to assist.