



OVHA Pharmacy Bulletin

In support of our Pharmacy Partners

Volume 11

June 2010

NEWS AND UPDATES

OVHA Pharmacy Best Practices and Cost Control Report for 2010

The OVHA Pharmacy Best Practices and Cost Control Report for 2010 is now available for public viewing at: <http://ovha.vermont.gov/for-providers/pharmacy-reports>. This annual review of OVHA's pharmacy programs includes descriptions of:

- Facts and Figures from State Fiscal Year (SFY) 2009
- Program Designs
- Overview of Pharmacy Benefit Management
- Assessment of SFY 2009
- Projections for SFY 2010
- On the Horizon for SFY 2010

REMINDERS

Generic Substitution Policy

Vermont law requires that when available, the therapeutically equivalent generic product should be dispensed. This requirement may be overridden by the provider in the following conditions:

- The prescriber has mandated brand, noting "Brand Medically Necessary" or "Dispense as Written" on the prescription. In this case, the pharmacy provider should submit a Dispense as Written Code (DAW) of "1".
- Brand product is dispensed as a generic: When a pharmacy provider dispenses a brand as their "house generic" instead of the generic equivalent, the provider should submit a DAW of "5."
- OVHA prefers the brand product: In select situations, the state reserves the right to make the determination that a branded product is the preferred product when a new FDA-approved generic equivalent proves more costly to the State than its branded counterpart. These claims should be submitted using a DAW of "6."
- The generic is not available in the marketplace: In this case, the pharmacy provider should submit a DAW of "8". Note that this does not mean that it is not available in the store. DAW8 may only be used when the generic is not generally available in the community. The provider should keep appropriate documentation to support this condition.

Important:

- DAW1 cannot be used to override the requirements of the OVHA Preferred Drug List.
- **Pharmacy providers should not bill OVHA for multi-source (innovator) brand drugs using a DAW2 code, which indicates that the beneficiary prefers the brand. These claims will be subject to recoupment.**



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Most Common Billing Errors

We thought it would be helpful to remind you of the most common incorrect billing practices we typically see. (If you have further questions on any of these topics, please refer to the OVHA Provider Manual online at <http://ovha.vermont.gov/for-providers/1microsoft-word-provider-manual-2010-final-010410.pdf>) The incorrect practices we most commonly see are:

- Submitting incorrect Prescriber NPI.
- Submitting incorrect Other Coverage Codes (NCPDP Field 308-C8). An example includes:
 - Using an OCC of 4 (indicating deductible or donut hole) when the primary payer either was not billed or denied the claim.
 - Using an OCC of 3 for drugs other than OTC's (in VTM-Medicaid/VHAP) or CMS excluded drugs and OTC's in VTD (Part D wrap)
- Omitting an amount in the "Other Payment Amount Paid" field (NCPDP Field #431-DV).
- Submitting the wrong amount in the "Other Payer Amount Paid" field. An example includes:
 - Placing \$0.01 in the field to force the Medicaid system to pay the claim when either the primary payer was not billed or denied the claim.
- Billing Medicaid as primary when other insurance exists.
- Billing Medicaid for more than one dispensing fee per 30-day period for maintenance medications.

Please review your current billing practices to ensure they are in compliance with the OVHA pharmacy provider manual, which can be viewed at: <http://ovha.vermont.gov/for-providers>. Claims not in compliance are subject to recoupment. Should you have specific questions or need assistance, please feel free to contact Jennifer Egelhof at (802) 879-5648.

Short-Acting Beta Agonist Inhalers and Insulin Not Subject to the 90-Day Fill Requirement for Maintenance Drugs

When OVHA is the primary payer, pharmacies are required to dispense designated classes of maintenance drugs in 90-day supplies after the first fill. **However, in response to inquiries from pharmacy providers, we would like to reiterate and clarify that short-acting beta agonist inhalers and all forms of insulin are not subject to the 90-day refill requirement.** We encourage and support your efforts to educate beneficiaries regarding the risks of overuse of short-acting beta agonist inhalers. A complete list of therapeutic categories included in the 90-day supply program can be found at <http://ovha.vermont.gov/for-providers>



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OVHA Website Resources

We often receive questions from pharmacy staff that could be answered by quickly checking the OVHA's pharmacy unit webpage at <http://ovha.vermont.gov/for-providers>. Information found on our site includes:

- Bulletins & Advisories
- Consumer Issues
- Coverage & Billing Issues (Medmetrics Health Partners)
- Customer Newsletters
- Drug Utilization Review Board
- FDA Alerts
- Forms
- MAC List
- Part C & D Resources
- Pharmacy Benefits Management
- Pharmacy Reimbursement Methodology
- Preferred Drug List & Clinical Criteria Manual
- Prior Authorization Request and Order Forms
- Prior Authorization Review Process
- Program Coverage
- Provider Manual
- Reports
- Requests For Proposals (RFPs)
- Sovereign States Drug Consortium
- Specialty Pharmacy Services
- Tamper-Resistant Drug Pads



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Other Coverage Codes (OCC)

Although we have provided this information in the past, it's always helpful to be periodically reminded of the correct use of OCC codes when billing for members enrolled in Vermont's publicly funded pharmacy programs.

OCCURRENCE	CORRECT OTHER COVERAGE CODE TO USE	(OVHA – VTM) Processing Policy Vermont Coverage Secondary to Alternate Insurance	(OVHAD – VTD) Processing Policy Vermont Coverage Secondary to Medicare Part B and Part D
<p>The primary insurance plan pays a portion of the claim.</p>	<p>2 = Other coverage exists, payment collected from primary insurance.</p>	<p>Requires Submitted Patient Pay field and COB segment, detailing information on paid claim, including Other Payer ID and Other Payer Paid Amount. Claim will process based on Medicaid allowed amount.</p> <p><u>Leaving this field blank is not permitted as it will result in the State paying the entire claim in full. These claims will be subject to recoupment.</u></p>	<p>Requires Submitted Patient Pay field and COB segment, detailing information on paid claim, including Other Payer ID and Other Payer Paid Amount – claim will pay based on member cost share from PDP.</p> <p>Limitations: 1) OCC2 does not apply to full-benefit duals except in the event that the PDP makes a payment for a CMS Part D excluded drug (e.g. benzodiazepine). 2) Payment limited to \$6.30 for VPharm 100% LIS members.</p> <p><u>Leaving this field blank is not permitted as it will result in the State paying the entire claim in full. These claims will be subject to recoupment.</u></p>
<p>The primary insurance rejects the claim.</p>	<p>3 = Other coverage exists, claim rejected by primary insurance.</p>	<p><u>Only to be used for over-the-counter drugs.</u> Claims submitted with an OCC = 3 will be subject to an edit to determine if drug is OTC; if so, the state will pay claim if all other state criteria is met. State would prefer Other Payer Reject Code, but field is not currently required.</p> <p><u>For non-OTC drugs:</u> If the primary payer denies a claim because the drug requires a prior authorization or it is a non-formulary drug, then the primary carrier's prior authorization procedures must be followed.</p>	<p>Claims submitted with an OCC = 3 will be subject to an edit to determine if drug class is Excluded from Part D coverage by CMS; if so, state will pay claim if all other state criteria is met. If product is not an Excluded Drug from CMS for Part D coverage, state will reject claim. State would prefer Other Payer Reject Code, but field is not currently required.</p> <p>OCC=3 does not apply to Medicare Part B.</p>



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OCCURRENCE	CORRECT OTHER COVERAGE CODE TO USE	(OVHA – VTM) Processing Policy Vermont Coverage Secondary to Alternate Insurance	(OVHAD – VTD) Processing Policy Vermont Coverage Secondary to Medicare Part B and Part D
<p>The primary insurance carrier processes the claim but does not make a payment because:</p> <ul style="list-style-type: none"> a) The member is in a deductible period, b) The member is in the Part D donut hole, or c) The payment is less than the patient's copayment 	<p>4 = Other coverage exists, payment not collected from primary</p>	<p>Requires Submitted Patient Pay field and complete COB segment. Claim will pay based on Medicaid allowed amount.</p> <p>OCC = 4 is not to be used when the primary claim has been denied by the primary insurance plan because the drug requires a prior authorization or it is a non-formulary drug. If found during a State audit, these claims will be subject to recoupment.</p>	<p>To be used when member has deductible or “donut hole” and primary payer is not making payment on claim; requires Submitted Patient Pay field and complete COB segment. Claim will pay based on member cost share from PDP. Also used for Part B deductible.</p> <p>Limitations for OCC4: 1) Does not apply to Part D claims for full-benefit duals, and 2) Payment limited to \$6.30 for VPharm 100% LIS members.</p> <p>OCC = 4 is not to be used when the primary claim has been denied by the Part D Plan because the drug requires a prior authorization or it is a non-formulary drug. If found during a State audit, these claims will be subject to recoupment.</p>
<p>The primary insurance plan rejects the claim because coverage no longer exists.</p>	<p>7 = Other coverage exists, not in effect on Date of Service (DOS)</p>	<p>To be used if member's other coverage no longer exists; state will process claim.</p>	<p>Claim will reject.</p>
<p>The Part D Plan processes the claim with a negative amount for payment.</p>	<p>8 = Billing for Copay</p>	<p>Not applicable</p>	<p><i>(Only used when Other Payer Paid Amount is \$<0)</i> Requires Submitted Patient Pay field and COB segment, detailing information on paid claim, including Other Payer ID and <i>negative</i> Other Payer Paid Amount. Claim will pay based on member cost sharing.</p>

To submit questions or suggest topics send an email to: OVHA-PH@ahs.state.vt.us



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