



INFORMATIONAL LETTER NO.804

To: All Iowa Medicaid Physician, Dentist, Advanced Registered Nurse Practitioner, Therapeutically Certified Optometrist, Podiatrist, Pharmacy, Home Health Agency, Rural Health Clinic, Clinic, Skilled Nursing Facility, Intermediate Care Facility, Community MH, Family Planning, Residential Care Facility, ICF MR State, Community Based ICF/MR Providers

From: Iowa Department of Human Services, Iowa Medicaid Enterprise

Date: May 22, 2009

Subject: Iowa Medicaid Pharmacy Program Changes

Effective: **June 15, 2009**

1. Changes to the Preferred Drug List (PDL)¹ Effective June 15, 2009

<u>Preferred</u>	<u>Non-Preferred</u> <i>(Require PA for new users only)</i>
Abilify® ²	Abilify Discmelt® ^{1,2}
Adderall XR® ¹	Invega® ^{1,2}
Amoxapine	Luvox CR® ¹
Concerta® ^{1,2}	Metadate CD® ^{1,2}
Cymbalta® ²	Pexeva®
Daytrana™ ^{1,2}	Pristiq™ ^{1,2}
Effexor XR® ²	Risperdal® M Tab® ^{1,2}
Emsam®	Ritalin LA® ^{1,2}
Focalin® ¹	Seroquel XR™ ¹
Focalin® XR ^{1,2}	Zyprexa® Zydis® ^{1,2}
Geodon® ²	
Lexapro® ²	
Maprotiline	
Moban®	
Nardil®	
Parnate®	
Paxil® Oral Suspension	
Provigil® ^{1,2}	
Risperdal® Consta® ²	
Seroquel®	
Strattera® ^{1,2}	
Surmontil®	
Tofranil-PM®	
Vivactil®	
Vyvanse™ ¹	
Wellbutrin XL® ²	
Zyprexa® ²	

¹ Clinical PA Criteria Apply

² Quantity Limits

Non-preferred drugs in the chart above will require prior authorization for **new users only**. The change in drug status to non-preferred will only stop pharmacy claims from paying for "new users" or those members that have not had the drug previously paid by Medicaid. If the member does not have a history of the requested drug in the Medicaid paid claims system, a prior authorization will be required. Prior Authorization (PA) Forms are located at www.iowamedicaidpdl.com.

Established users will be grandfathered by the point of sale (POS) system. The POS system will look back 180 days for paid claims for the specific drug and allow members to continue to get the same drug without restrictions. All strengths of the grandfathered drug will be included in the grandfathering. This grandfathering process will remain in place for the duration of the member's eligibility. Prior Authorization Criteria is currently being developed for these non-preferred drugs and will be included in an upcoming informational letter.

2. **New Drug Prior Authorization Criteria-** See prior authorization criteria posted at www.iowamedicaidpdl.com under the Prior Authorization Criteria tab.
 - **Modified Formulations:** Payment for a non-preferred isomer, pro-drug, metabolite, and/or alternative delivery system will only be considered for cases in which there is documentation of a recent trial and therapy failure with the original parent drug of the same chemical entity, unless evidence is provided that use of the original product would be medically contraindicated. Prior authorization is required for the following modified formulations: *Abilify Discmelt®*, *Invega®*, *Pristiq™*, *Risperdal® M-Tab®*, and *Zyprexa® Zydys®*. The Modified Formulations PA form located at www.iowamedicaidpdl.com should be used for requests for these products.

3. **Frequently Asked Questions:** Please refer to the Frequently Asked Questions (FAQs) link located at www.iowamedicaidpdl.com for a complete listing of FAQs regarding mental health drugs being placed on the PDL.

4. **OTC Drug Coverage of Polyethylene Glycol 3350 powder (Miralax®):** Effective April 23, 2009, CMS changed the DESI status of all legend Polyethylene Glycol (PEG) 3350 Powder products from a payable DESI 2 code (safe and effective or Non-DESI) to a non-payable DESI 5 code (indicates a less-than-effective or DESI drug). Please refer to the complete CMS notification posted at www.iowamedicaidpdl.com under CMS Updates. As a result, legend PEG products are no longer payable by Iowa Medicaid.

Effective May 8, 2009, Polyethylene Glycol 3350 powder (Miralax®) was added as an OTC payable drug for members under the age of 19.

- 12 years of age and under—Preferred and payable without prior authorization.
- 13-18 years of age —Nonpreferred and requires prior authorization.
- 19 years of age and older—Noncovered.

NDC	Drug Name	Package Size	OTC MAC
11523-7234-03	Polyethylene Glycol 3350 Powder (MiraLAX®)	238gm	0.0372
11523-7234-04	Polyethylene Glycol 3350 Powder (MiraLAX®)	510gm	0.0339
11523-7234-09	Polyethylene Glycol 3350 Powder (MiraLAX®)	510gm	0.0255

5. Point of Sale (POS) Billing Issues:

a). POS Date of Birth Verification: Effective **June 15, 2009**, POS will begin editing for the exact date of birth from the eligibility file for Iowa Medicaid members. The National Counsel for Prescription Drug Programs (NCPDP) Version 5.1 Payer Sheet will now make Field # 304-C4 (Date of Birth) mandatory. The NCPDP rejection message will state “**09=Missing/ Invalid Birth Date.**” Claims should be resubmitted with the correct date of birth for the member. For discrepancies, pharmacies may call the Eligibility Verification System (ELVS) at 1-800-338-7752 or 323-9639 (local). Pharmacies may also call the POS Helpdesk at 877-463-7671 or 725-1107 (local) for additional assistance.

b). Proper Billing of Bactroban®: Bactroban® Cream should be billed in increments of 15 grams and mupirocin ointment should be billed in increments of 22 grams. Please refer to the Common Billing Errors Table located at www.iowamedicaidpdl.com under the Billing link.

c). Proper Billing of Pharmacy Claims for Deceased Members: Pharmacy claims **must** be billed prior to the date of death for all Iowa Medicaid members. Pharmacies should use the dispense date for claims processing for all members. Failure to bill prior to date of death may result in the program recouping for any claims processed after the date of death.

6. Preferred Brand Name Drugs on the PDL-Pharmacy Clarification

- When a status change occurs for a previously preferred brand name drug to non-preferred status, up to a *minimum* of 30 days transition period is given to pharmacies to help utilize existing brand name product in stock in an effort to decrease a pharmacy’s remaining brand name drug inventory (see PDL comment section regarding transition periods exceeding 30 days).
- If additional stock remains beyond this time period, pharmacies may call the POS Helpdesk at 877-463-7671 or 515-725-1107 (local) to request an override for the non-preferred brand name drug with a recent status change.

7. AWP Reporting by Medi-Span

Wolters Kluwer Health has entered into an agreement with the plaintiffs of the First DataBank AWP lawsuit regarding their publication of AWP in Medi-Span. **Effective September 26, 2009**, Wolters Kluwer Health will be adjusting its reporting of Medi-Span’s AWP for certain prescription drugs by reducing the mark-up factor to WAC x 1.20 for all products that currently have a mark-up factor from WAC or Direct Price in excess of 1.20. (i.e., an AWP that was calculated as WAC x 1.25 will be decreased to WAC x 1.20). Discontinuation of the AWP is planned for September 2011. Since Iowa Medicaid relies on Medi-Span’s AWP to calculate EAC, reimbursement to the pharmacy may be impacted by this reporting change. Pharmacies may want to check with their wholesaler on how this will impact purchases.

We encourage providers to go to the website at www.iowamedicaidpdl.com to view all recent changes to the PDL. If you have questions, please contact the Pharmacy Prior Authorization Helpdesk at 877-776-1567 or 515-725-1106 (local in Des Moines) or e-mail info@iowamedicaidpdl.com.