



**An Information Service of the Division of Medical Assistance**

**North Carolina  
Medicaid Pharmacy  
Newsletter**

*Number 131*

*February 2006*

**In This Issue...**

**Nicotine Products Now on OTC Coverage List**  
**N. C. Medicaid Upper Limits**  
**Medicare Part D Exceptions and Appeals Information from CMS**  
**Extension of the Medicare Part D Transitional Coverage Period**  
**Recipients with Medicare Deductibles**  
**Medicare Part B Override Update**  
**Appropriate Situations to Override Co-pay**  
**Family Planning Waiver Reminder**  
**Corrected 1099 Requests – Action Required by March 1, 2006**

Published by EDS, fiscal agent for the North Carolina Medicaid Program  
1-800-688-6696 or 919-851-8888

### Nicotine Products Now on OTC Coverage List

The following Nicotine OTC Products are available for reimbursement by NC Medicaid in conjunction with a prescription order by the physician.

OTC Medication Name and Strength	NDC	MFG	Effective Date of Coverage
Nicoderm CQ 7mg/24hours (14)	00766-1470-12	GSK	7/20/2005
Nicoderm CQ 7mg/24hours (14)	00766-1440-20	GSK	2/3/2006
Nicoderm CQ 14mg/24hours (14)	00766-1430-20	GSK	7/20/2005
Nicoderm CQ 21mg/24hours (7)	00766-1450-10	GSK	7/20/2005
Nicoderm CQ 21mg/24hours (14)	00766-1450-20	GSK	7/20/2005
Nicotrol 15mg/16hrs (7)	00045-0602-08	GSK	7/20/2005
Nicotrol 15mg/16hrs (7)	00009-5197-02	GSK	7/20/2005
Commit 2mg	00135-0208-01	GSK	7/20/2005
Commit 2mg	00135-0208-03	GSK	7/20/2005
Commit 4 mg	00135-0209-01	GSK	7/20/2005
Commit 4 mg	00135-0209-03	GSK	7/20/2005
Nicorette Gum 2mg (48)	00766-0045-45	GSK	7/20/2005
Nicorette Gum 2mg (48)	00766-0043-60	GSK	7/20/2005
Nicorette Gum 2mg (108)	00766-0045-08	GSK	7/20/2005
Nicorette Gum 2mg (168)	00766-0045-60	GSK	8/17/2005
Nicorette Gum 4mg (48)	00766-0047-48	GSK	7/20/2005
Nicorette Gum 4mg (108)	00766-0047-08	GSK	7/20/2005
Nicorette Gum 4mg (168)	00766-0047-60	GSK	7/20/2005

### N.C. Medicaid Upper Limits for Betaseron 0.3mg, Migranal Nasal Spray and Toradol/Ketolac 10mg Tablets

The N.C. Medicaid program will implement limits on the number of dosage units that can be dispensed each month for prescriptions for Betaseron 0.3mg vial, Migranal Nasal Spray and Toradol/Ketolac 10mg tablets. These limits are based on the Food and Drug Administration's approved dosing recommendations.

Effective for claims billed after March 1, 2006, the following upper limits will apply:

Drug Description	Upper Limit
Betaseron 0.3 mg vial	30 ml per month
Migranal Nasal Spray 4 ml	2 kits per month
Migranal Nasal Spray 6 ml	1 kit per month
Toradol 10 mg tablets	20 tablets per month
Ketorolac 10 mg tablets	20 tablets per month

## **Medicare Part D Exceptions and Appeals Information from CMS**

If a provider is seeking prior authorization or a formulary exception from a Medicare Part D prescription drug plan (PDP) and the plan's routine protocol fails or the contacts are being made after normal business hours, the exceptions numbers that are provided on the Centers for Medicare and Medicaid Services (CMS) website may be used. The Medicare Part D appeals numbers provided on the CMS website may be used to contact the plan to appeal a determination. Exceptions and appeals information and downloads for Medicare Part D prescription drug plans may be found at [http://www.cms.hhs.gov/prescriptiondrugcovenin/04\\_formulary.asp](http://www.cms.hhs.gov/prescriptiondrugcovenin/04_formulary.asp)

## **Extension of the Medicare Part D Transitional Coverage Period**

The U. S. Department of Health and Human Services has notified Medicare Part D prescription drug plans that the 30-day transitional coverage period will be extended for an additional sixty days. This will provide more time for beneficiaries to find out if they can save money by using other drugs that work in similar ways and may cost significantly less. This action reinforces steps already taken by many prescription drug plans to help assure a smooth transition for beneficiaries.

## **Recipients with Medicare Deductibles**

Pharmacy providers who bill pharmacy claims for recipients who have a Medicare deductible should bill Medicaid for the portion of the pharmacy claim that is applied to the Medicare deductible on the pharmacy manual claim form. These claims will be manually reviewed for payment. An 'O' should be entered in the family planning field on the form. A copy of the Medicare explanation of benefits (EOB) must also accompany the claim.

A copy of the pharmacy manual claim form is available on DMA's website at <http://www.dhhs.state.nc.us/dma/Forms/pharmclaim.pdf>.

## **Medicare Part B Override Update**

Pharmacists may continue to use the Medicare Part B override to submit claims to Medicaid in situations where recipients have been inaccurately identified as Medicare Part B eligible. These situations include cases where there are errors in the Medicaid eligibility file indicating that the recipient has Medicare Part B coverage when they are not eligible or when their coverage has been terminated. In these situations, enter a '1' in the PA/MC field. If the claim must be submitted on paper, enter an 'O' in the family planning field and indicate the reason the override is needed in the space at the bottom of the manual claim form.

## **Appropriate Situations to Override Co-pay**

Pharmacy providers are allowed to override co-pay in certain situations such as:

- when a recipient has moved into a long term care facility and the eligibility file does not yet reflect this change.
- or when a Medicaid recipient is pregnant and has regular Medicaid status instead of MPW

The values below will override co-pay, but they should only be used in the situations mentioned above.

- Intermediate Care Facility – '2' in the Location Field.
- Skilled Nursing – '7' in the Location Field.
- Pregnancy – '4' in the PA/MC Field

Recipients in Rest Homes, Domiciliary Care or Adult Group Homes are not exempt from co-pay.

DMA Program Integrity is researching claims where co-pay is incorrectly being overridden and if this is found to be the case, then possible recoupment could occur.

## **Family Planning Waiver Reminder**

This is just a reminder on the billing requirements for the Family Planning Waiver. The ICD9 code must be submitted when billing for antibiotics. If the ICD9 code is a 2 digit code such as 98.00, then a leading zero will need to be submitted as 098.00.

## Corrected 1099 Requests – Action Required by March 1, 2006

Providers receiving Medicaid payments of more than \$600 annually have been sent a 1099 MISC tax form from EDS. The 1099 MISC tax form is generated as required by IRS guidelines. They were mailed to individual providers and groups on January 24, 2006. The 1099 MISC tax form reflects the tax information on file with Medicaid as of the last Medicaid checkwrite cycle date, December 22, 2005.

If the tax name or tax identification number on the annual 1099 MISC you receive is **incorrect (for example, misspelled or transposed)**, a correction to the 1099 MISC must be requested. This ensures that accurate tax information is on file with Medicaid and sent to the IRS annually. When the IRS receives incorrect information on your 1099 MISC, it may require backup withholding in the amount of **28 percent of future Medicaid payments**. The IRS could require EDS to initiate and continue this withholding to obtain correct tax data.

**Please Note: If claims were billed under an individual provider number rather than a group number, the individual is considered to have received the income and the 1099 will reflect the individual's tax ID associated with the individual provider number rather than a Federal ID number, which is associated with a group number. This is not the type of change that corrected 1099s address. If that is your situation, please bill under your group number as soon as you identify the issue.**

A correction to the original 1099 MISC must be **submitted to EDS by March 1, 2006** and must be accompanied by the following documentation:

- A copy of the original 1099 MISC
- A signed and completed IRS W-9 form clearly indicating the correct tax identification number and tax name. (Additional instructions for completing the W-9 form can be obtained at [www.irs.gov](http://www.irs.gov) under the link "Forms and Pubs.")

Fax both documents to 919-816-3186-Attention: Corrected 1099 Request - Financial

**Or**

Mail both documents to:

EDS

Attention: Corrected 1099 Request - Financial

4905 Waters Edge Drive

Raleigh, NC 27606

A copy of the corrected 1099 MISC will be mailed to you for your records. All corrected 1099 MISC requests will be reported to the IRS. In some cases, additional information may be required to ensure that the tax information on file with Medicaid is accurate. Providers will be notified by mail of any additional action that may be required to complete the correction to their tax information.

**Checkwrite Schedule**

March 07, 2006	April 11, 2006	May 02, 2006
March 14, 2006	April 18, 2006	May 09, 2006
March 21, 2006	April 27, 2006	May 16, 2006
March 30, 2006		May 25, 2006

**Electronic Cut-Off Schedule**

March 03, 2006	April 07, 2006	May 02, 2006
March 10, 2006	April 13, 2006	May 12, 2006
March 17, 2006	April 21, 2006	May 19, 2006
March 24, 2006		

*Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date. POS claims must be transmitted and completed by 12:00 midnight on the day prior to the electronic cut-off date to be include in the next checkwrite.*

---



Mark T. Benton, Sr  
Senior Deputy Director and Chief Operating Officer  
Division of Medical Assistance  
Department of Health and Human Services



Cheryll Collier  
Executive Director  
EDS