

Donald Ross, Manager
DMAP Policy and Planning Section

Authorized Signature

Number: DMAP- IM-10-148

Issue Date: 12/17/2010

Topic: Medical Benefits

Subject: Provider announcements about Jan. 1 pharmacy program changes

Applies to (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Other (please specify): DHS staff and others identified on the SPD, CAF, AMH and DMAP transmittal lists |
| <input type="checkbox"/> County DD Program Managers | |

Message:

DMAP will post the following announcements on the [OHP Provider Announcements](#) page and deliver to the OHP Provider Announcements and Pharmacy Program Announcements eSubscribe lists.

- **Letter to pharmacy providers about changes to fee-for-service reimbursement methodology:** For more information about these changes, go to the Oregon Health Authority's Pharmacy Reimbursement Web page at <http://www.oregon.gov/OHA/pharmacy/index.shtml>.
- **Letter to prescribers and pharmacies about updates to the Preferred Drug List and fee-for-service prior authorization requirements:** You can find links to the updated list of preferred drugs and DMAP's fee-for-service PA criteria at www.dhs.state.or.us/policy/healthplan/guides/pharmacy/clinical.html.

If you have any questions about this information, contact:

Contact(s):	DMAP Pharmacy Program
E-mail:	dmap.rxquestions@state.or.us

December 17, 2010

500 Summer St NE, E35
Salem, OR 97301
Voice 503-945-5772
Fax 503-373-7689
TTY 711

To: Pharmacy providers
From: Donald Ross, Manager
DMAP Policy and Planning Section
Subject: Pharmacy reimbursement changes effective Jan. 1, 2011

Starting Jan. 1, 2011, the Division of Medical Assistance Programs (DMAP) will implement a federally approved reimbursement methodology based on the Average Actual Acquisition Cost (AAAC) for drugs and the cost of dispensing them to Oregon Medicaid clients. Important points regarding the new reimbursement methodology include:

- The new AAAC rates are based on the drug ingredient cost information that enrolled pharmacies submitted to Myers and Stauffer as part of the initial Acquisition Cost Survey dated Oct. 20, 2010.
- Myers and Stauffer will also review and adjust the AAAC rates weekly in response to changes in the pharmaceutical market that may affect drug pricing and/or availability.
- The AAAC rates replace the Oregon Maximum Allowable Cost (OMAC) rates. DMAP will no longer reimburse based on Average Wholesale Price. For more information, refer to Oregon Administrative Rule 410-121-0155 in the [Pharmaceutical Services provider guidelines](#).
- Pharmacy dispensing fees are tiered, based on prescription claim volume as reported in the initial Claim Volume Survey dated Oct. 20, 2010.

For more information about the new reimbursement methodology, including how often to expect future Acquisition Cost and Claim Volume surveys, review the Oregon Health Authority (OHA) Pharmacy Reimbursement Questions and Answers at www.oregon.gov/OHA/pharmacy/index.shtml.

Point of sale billing updates

Because of this change, pharmacies no longer need to specify 340B pricing or Long-Term Care patient information in order to receive the appropriate dispensing fee. If your point of sale system enters the following information automatically, then you do not need to make any changes to your system.

- When billing for 340B drugs, you no longer need to enter value 09 (Other/340B) in field 423-DN of the Pricing Segment.
- When billing for drugs dispensed to clients in a Long Term Care facility, you no longer need to enter value 04 (Long Term/Extended Care) in field 307-C7 of the Patient Segment.

You can view information about these fields in the [Oregon Medicaid Pharmacy Payer Sheet](#).

If you receive an error message that says there is no pricing on file for a particular drug, call Myers & Stauffer at 800-591-1183 with the National Drug Code and other information for the drug you are attempting to bill. They will research the price and coordinate with the Oregon Pharmacy Call Center to enter it into the system, and let you know when you can re-bill.

Resources and helpful links

If you have questions about this information, please contact one of the following:

- **For questions about the new AAAC pricing methodology and reimbursement rates:** Call Myers and Stauffer at 800-591-1183.
- **For questions about point of sale billing and prior authorizations:** Call the Oregon Pharmacy Call Center at 888-202-2126.
- **For questions or concerns about the pricing of a particular drug,** visit the Myers and Stauffer AAAC Rate Review Web page at <http://or.mslc.com/RequestRateReview.aspx>.
- **For other questions about this letter:** E-mail DMAP's Pharmacy Program at dmap.rxquestions@state.or.us or call DMAP Provider Services at 1-800-336-6016.

Thank you for your support during this transition

The OHA appreciates the time and energy this new pricing system requires of our providers.

Prescribers and pharmacies

Jan. 1 PDL and prior authorization criteria updates

OHP Preferred Drug List updates

The Division of Medical Assistance Programs (DMAP) has added over 40 drug classes to the physical health Preferred Drug List (PDL) effective Jan. 1, 2011. New prescriptions for any drugs not listed in the PDL for these classes will require prior authorization (PA).

To find out about the new preferred drugs on and after Jan. 1:

- Use the free Epocrates drug guide to access the PDLs on your mobile device or desktop Internet browser (look for "Oregon Medicaid - Open Card"). For more information, go to www.epocrates.com.
- Refer to the Pharmaceutical Services administrative rulebook at www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html (see Table 121-0030-1 Practitioner-Managed Prescription Drug Plan).
- You will also find links to these resources on the PDL Web page at www.orpdl.org.

Non-preferred mental health drugs do not require PA.

Prior authorization criteria updates

Beginning Jan. 1, 2011, DMAP will require PA for low-dose quetiapine (Seroquel® and Seroquel XR®).

Specific PA requirements will be in the Jan. 1, 2011 revision of the DMAP Fee-for-Service PA Criteria Guide on the Pharmaceutical Services Clinical Information page at www.dhs.state.or.us/policy/healthplan/guides/pharmacy/clinical.html.

How to request PA

For non-preferred physical health products, you can submit PA requests three ways:

- Call the Oregon Pharmacy Call Center at 1-888-202-2126;
- Submit via the secure Provider Web Portal at <https://www.or-medicaid.gov>; or
- Fax a completed Pharmacy and Oral Nutritional Supplement Request (DMAP 3978) form to 888-346-0178. This form is available on the DHS Web site at <http://dhsforms.hr.state.or.us/Forms/Served/OE3978.pdf>.

For information about registering for Web portal access or training, go to www.oregon.gov/DHS/healthplan/tools_prov/training.shtml.

The Oregon Pharmacy Call Center will approve the PA request if the prescriber, in his or her professional judgment, determines the drug is medically appropriate.

We can help

We understand that your patients will have questions and concerns. Please share our Client Services toll-free number with OHP patients: 1-800-273-0557. Representatives are available Monday through Friday, 8:00 a.m. to 4:45 p.m.

Questions?

- **About this announcement or the Provider Web Portal:** Call the Provider Services Unit at 1-800-336-6016, Monday through Thursday from 8:30 a.m. to 4:30 p.m. and 10 a.m. to 4:30 p.m. on Friday.
- **About pharmacy point of sale and prior authorizations:** Call the Oregon Pharmacy Call Center at 1-888-202-2126.
- **About physical health prescriptions for managed care clients:** Contact the client's managed care plan.