Chapter 21

Pharmacy Services

South Country Heath Alliance utilizes PerformRx to manage the pharmacy network and administration of pharmacy claims and benefits for all SCHA members. PerformRx is a URAC accredited, clinician-led PBM that manages pharmacy benefits for over 2 million Medicare and Medicaid enrollees in the United States.

Providers should refer to PerformRx’s website for important information, relevant forms, and valuable resources for efficient, up-to-date care.

Provider Contact information:
Medicaid Pharmacy Helpdesk: 866-935-8874
Medicare Pharmacy Helpdesk: 866-935-6681
Website: www.performrx.com

Member Contact information:
South Country Health Alliance Member Services: 1-866-567-7242 (TTY 711)

BIN and PCN information:

<table>
<thead>
<tr>
<th></th>
<th>BIN</th>
<th>PCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>012353</td>
<td>06190000</td>
</tr>
<tr>
<td>Medicaid</td>
<td>600428</td>
<td>06180000</td>
</tr>
</tbody>
</table>

Definitions:

Prior Authorization
Prior authorization requires specific criteria to be met before the medication is covered under the member’s current prescription benefit. Medications are chosen for inclusion in the prior authorization program if the medications have actual or potential misuse, overuse or inappropriate use that could be of clinical concern, economic concern or both.

Formulary Exception
The formulary exception process allows for a drug to be considered for coverage when it is non-formulary. To be considered, the drug must not be on the plan exclusion list.

The Medicaid exclusion list includes drugs in the following categories: erectile or sexual dysfunction, fertility enhancement, cosmetic purposes- including drugs to treat hair loss,
drugs to promote weight loss, drugs not clinically proven to be effective and drugs used for experimental or investigational purposes.

Medicare excluded drugs include drugs to treat the following: anorexia, weight loss or weight gain (except to treat physical wasting caused by AIDS, cancer or other diseases), fertility, cosmetic purposes or hair growth, relief of the symptoms of colds, erectile dysfunction, prescription vitamins and minerals (except prenatal vitamins and fluoride preparations), and non-prescription (OTC) drugs.

The criteria for formulary exceptions are as follows:

- The patient has tried and failed one or more formulary alternatives (if applicable) for the diagnosis being treated; or
- The formulary drugs are contraindicated for the patient (e.g. formulary drugs cause an adverse reaction in the patient); or
- The patient has been stabilized on the requested medication and is at high risk of significant adverse clinical outcome with medication change; or
- The provider demonstrates to PerformRx that the prescription drug must be dispensed as written to provide maximum medical benefit to the patient (e.g. medical need for different dosage form and/or dosage(s) tried).

**Dispense as Written - Brand Necessary (DAW)**

If the prescriber has determined that it is medically necessary for a brand name to be dispensed:

- Prescribers must obtain authorization for any brand name multiple source drug that has an FDA "AB" rated generic equivalent.
- Providers must continue to write, in their own handwriting, "dispense as written" or “DAW" " on the prescription (a checked DAW (dispense as written) box or a typed DAW is not acceptable). A verbal order to the pharmacist must be followed with a hard copy prescription bearing “dispense as written" or "DAW" in the prescriber's own handwriting. This applies to both ambulatory and long term care facility clients.
- For prescriptions transmitted electronically, the prescriber may indicate the DAW 1 box using the e-prescribing software. However, the prescriber must enter “Brand Medically Necessary” in the “Prescriber note to Pharmacy” field. The pharmacy may not make any changes to the “Prescriber note to Pharmacy” field. If a DAW “1” appears and there is no brand necessary notation, the pharmacist must contact the prescriber for a new prescription
- It is the prescriber's responsibility to provide the handwritten "DAW - brand necessary" requirements to the pharmacist. It is the pharmacist's responsibility to have a prescription bearing the prescriber's handwritten "DAW - brand necessary" on file in the pharmacy.
SCHA grants exceptions to the formulary if the provider prescribing the drug provides documentation to PerformRx that the prescription drug is dispensed as written to provide maximum medical benefit to the patient.

Refer to Minnesota Statutes, section 151.21 for exact requirements for brand dispensing at http://www.revisor.leg.state.mn.us

Coverage for Anti-psychotic Drugs (Minnesota Statute Sec 62Q.527)

SCHA provides prescription drug coverage for anti-psychotic drugs prescribed to treat an emotional disturbance or mental illness regardless of whether the drug is on PerformRx’s drug formulary.

For any non-formulary anti-psychotic drugs to be covered, the health care provider prescribing the drug must:
• Indicate to the dispensing pharmacist, orally or in writing, that the prescription must be dispensed as communicated; and
• Certify in writing to PerformRx that the health care provider has considered all equivalent drugs on SCHA’s drug formulary and has determined that the drug prescribed will best treat the patient's condition.

SCHA is not required to provide coverage for a drug if the drug was removed from the drug formulary for safety reasons. Medicaid members are not charged a special deductible, co-payment, coinsurance, or other special payment requirement that does not apply to drugs that are in the health plan's drug formulary. Medicaid members do not require written certification from the prescribing provider each time a prescription is refilled or renewed that the drug prescribed will best treat the patient's condition. The continuing care benefit shall be extended annually as long as the provider prescribing the drug shall continue to meet the initial requirements.

Quantity Limits
For certain drugs, SCHA will limit the amount of the drug that it will cover. The intent of quantity limits is to encourage appropriate prescribing quantities as recommended by FDA approved product labeling and to encourage cost-effective prescribing when lower quantities of a higher strength are equivalent to the prescribed dose.

Step Therapy
Step therapy encourages utilization of select medications to ensure member safety while managing the cost of specific medications. Step therapy typically targets high-cost drugs and drug classes or drugs that have a high potential for misuse or abuse or targets drugs with specific clinical uses for certain member populations. Therefore, the SCHA member will be required to first try certain drugs before another drug will be covered for that medical condition.
**Coverage:**
A searchable formulary is available on SCHA’s website (www.mnscha.org). Through this portal you can identify the formulary status of drugs and any associated prior authorization, step therapy, or quantity limit program.

**Eligibility:**
Eligibility status of a member should be available at the time the prescription drug claim is entered into the PerformRx claims payment system via the point of sale (POS) entry. It is absolutely essential to have the SCHA member ID number in order to access eligibility. If members do not have their SCHA member ID card or know their ID number, it will be necessary to contact SCHA Member Services at 866-567-7242 or obtain the information from MN-ITS.

**Restricted Recipient Program:**
SCHA members who are in the Restricted Recipient program can be identified through MN-ITS. Restricted Recipient program members are limited to filling prescriptions at one pharmacy, which is indicated on the MN-ITS system. If a restricted member requests to fill a prescription at a non-authorized pharmacy, they should be referred back to their restricted pharmacy. Restricted Recipient program members are not allowed to pay cash for covered medications except for their co-pays.

**Acceptable Pharmacy Practices:**
A prescribed drug must be dispensed in the quantity specified on the prescription unless the specified quantity is not available in the pharmacy when the prescription is dispensed. Only one dispensing fee is allowed for a one month or a 90 days’ supply (Medicare only). Up to 31 day supply is permitted for Medicare LTC.

An initial or refill prescription for a maintenance drug must be dispensed in not less than a 30 day supply, but no more than a 34-day supply (Medicaid only), unless the pharmacy is using unit dose dispensing or the drug has dispensing limitations more stringent than a 1 month supply.

Except as described below or unless the drug has dispensing limitations, the dispensing fee billed by or paid to a particular pharmacy for a maintenance drug is limited to one fee per one month supply:
- More than one dispensing fee per calendar month for a maintenance drug for a recipient is allowed if the record kept by the pharmacist or dispensing physician documents a significant chance of over dosage if a larger quantity of drug is dispensed, and if the pharmacist or dispensing physician writes this reason on the prescription. Day Supply for Medicare LTC or ALF – solid oral brand drug 14 day supply limitation; one dispense fee per month.
- Pharmacies may repack OTCs, but must still dispense the entire package quantity at each fill for all OTC medications used on a maintenance or an as needed
basis. No additional or enhanced dispensing fee is available for the repackaging of OTC medications. Repackaged NDCs (by the manufacturer) are not covered.

**Claims:**

**Point of Sale Claim Submission**
Claims must be submitted to PerformRx through a communication network; PerformRx will identify which communication network should be used before a pharmacy can begin processing claims. The pharmacy must contact PerformRx to obtain the necessary information for accessing the communication network.

The same information must be provided for claims submitted at point of sale as is provided on the Universal Claim Form.

Claims must be submitted with a standard and valid NDC code.

When submitting claims through point of sale, pharmacies are required to submit the SCHA member ID number and the appropriate BIN/PCN (located on the member ID card).
PerformRx will identify whether a claim has been accepted or rejected. If the claim is accepted, PerformRx will identify the amount to be paid. If the claim is rejected, they will identify the reason(s) the claim was rejected (i.e. the quantity allowed is less than submitted). If the reason provided for a rejected claim is unclear, contact the PerformRx Provider Services:

Medicaid Pharmacy Helpdesk: 866-935-8874
Medicare Pharmacy Helpdesk: 866-935-6681

Please have your NPI, prescription number, and member ID number available when you call.

To resubmit a claim previously accepted through point of sale, first submit a reversal. A reversal must be submitted when a member fails to pick up a filled prescription. Please refer to your system documentation or PerformRx for information about submitting reversals. Pharmacies should contact PerformRx in regards to claims that are over 90 days old. Claims under 90 days old use the online POS system.

If the pharmacy system or point of sale device is unable to make a connection with the PerformRx computer system, contact Argus Health Systems at 1-866-929-6797. If you have a question about the reimbursement for a claim, contact PerformRx Provider Services at the numbers listed above.
Coordination of Benefits (COB)

To submit a secondary co-pay amount, the claim must first be submitted to the primary payer. The claim fully adjudicates with the secondary payer and pays the difference between what the primary payer pays and up to what the secondary would pay. If the primary covers up to or more than the secondary pays based on contractual rates, then the secondary will not issue any additional payment for the claim.

For secondary billing, the Other Coverage Code dictates whether a claim is paid payable by the primary payer. The claim fully adjudicates with the secondary payer’s plan benefits, but adds an additional step to subtract the primary’s paid drug benefit amount from the secondary payer’s payment amount. PerformRx will accept secondary billing for medication that is covered by the primary up to what the secondary plan allows. The primary plan benefit design will dictate if the drug is a covered benefit or not.

If no payment is payable by the primary payer due to a high deductible, PerformRx will adjudicate the claim as primary, subject to the secondary plan benefit design which will dictate if the drug is a covered benefit or not. If no payment is payable by the primary payer due to non-formulary medication, the pharmacy must go through the prior authorization process with the primary insurance. In order for PRx to adjudicate claim as primary subject to the secondary plan benefit design, the pharmacy would have to use the 502 override. OCC is what determines whether the claim pays as COB primary or COB secondary. Acceptable OCC codes are 2, 3, 4.

Percentage off prescription drug discount cards that simply offer a discount on the price of a prescription are not to be considered insurance. These cards cannot be used for SCHA members.

Note that Medicare Part D low-income subsidy (LIS) Part D cost-sharing amounts are the responsibility of the member. It is not allowable to submit the member’s cost-share to SCHA Medicaid. Part B cost share should be submitted as a COB.

PerformRx recommends that network pharmacies having difficulty with processing secondary claims on-line contact PRx for assistance; however, some issues will need to be managed by the pharmacy and their software vendor directly.

The COB on-line process will be monitored through the pharmacy audit process. It is important to keep the primary insurer’s EOB on file for auditing purposes. Insufficient documentation of the EOB may result in an audit reversal of claim.

COB Overrides
If the pharmacy receives an error code 90- submit to primary payer, the pharmacy must check with the member to determine whether or not the member has other primary insurance coverage. If the member states that he/she does not have primary pharmacy coverage the pharmacy is allowed to resubmit the claim with a 502 override.
code in the prior authorization field. If the member does have other insurance, the pharmacy must resubmit the claim to the primary insurance.

Pharmacies experiencing problems with processing temporary supplies should contact SCHA/PerformRx Pharmacy Services for assistance.

To submit the co-pay manually on a universal claim form, indicate “Other Coverage, Yes” on the upper right hand corner of the form.

**Completed Medicare and Medicaid UCFs should be mailed to:**

South Country Health Alliance  
P.O. Box 516  
Essington, PA 19029

"Early Refill Requests"

Early refill requests are managed by South Country’s pharmacy benefit manager PerformRx. Pharmacies are encouraged to call the PerformRx Customer Care Center to request an early refill.

** See Appendix A for the policy used regarding early refills for controlled and non-controlled medications.

Accepting Cash Payments

Pharmacies are not allowed to accept cash payment, in lieu of member’s copay, from a SCHA member or from someone paying on behalf of the member, for any SCHA covered prescription drug.

A pharmacy may accept cash payment for a non-covered prescription drug provided that:

- The member is not enrolled in the restricted recipient program.
- All available covered alternatives have been reviewed with the recipient.
- The pharmacy obtains a patient’s (or authorized representative’s) signature acknowledging his/her understanding that the prescription is not covered and he/she will have to pay for it.
- The prescription is not for a controlled substance (other than phentermine) or gabapentin

If a member’s SCHA eligibility status is in question and the recipient offers cash payment for prescriptions, the pharmacy must verify eligibility through MN-ITS or by calling SCHA’s Member Services line.
### SCHA Medicare and Medicaid Early Refill Policy

<table>
<thead>
<tr>
<th>#</th>
<th>Circumstance</th>
<th>Is the circumstance eligible for early refill Yes/No</th>
<th>Controlled Medication (Note: gabapentin follows controlled protocols)</th>
<th>Early Refill Duration IF approvable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dose Increase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Prescriber increased the dose of the medication. New prescription provided. Pharmacist or prescriber MUST verify dose increase.</td>
<td>Yes</td>
<td>Yes</td>
<td>One time early refill up to 1 month supply per drug. Pharmacies are also able to use override code of 555 at POS.</td>
</tr>
<tr>
<td>b.</td>
<td>Member increased dose of the medication. No new prescription from prescriber.</td>
<td>No</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td>2</td>
<td>Lost/Stolen/Damaged or Destroyed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>Member does NOT reside in a **facility. If stolen, a copy of police report is required before the early refill is granted. Instruct the member to call South Country Member Services if assistance is needed.</td>
<td>Yes</td>
<td>No</td>
<td>A one-time early refill of up to 1 month supply for lost/stolen/spilled medication per 12 month period- Medicare or 6-month period- Medicaid.</td>
</tr>
<tr>
<td>b.</td>
<td>Member received early refill because of a lost, stolen, damaged, or destroyed medication once within the last six months.</td>
<td>No</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td>c.</td>
<td>Member resides IN a **facility where the member’s drugs are managed by the facility. The facility must replace the medication at its own cost.</td>
<td>No</td>
<td>No</td>
<td>None</td>
</tr>
<tr>
<td>3</td>
<td>Inaccurate billing of day supply of first fill</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Appendix A

<table>
<thead>
<tr>
<th></th>
<th>Pharmacy entered the wrong days supply on the first fill. Request pharmacy to reverse and re-bill claim. If the DOS for the inaccurate claim exceeds the fill receive interval, PerformRx will submit to SCHA for review. If approval received, an override will be placed to allow pharmacy to rebill.</th>
<th>Yes</th>
<th>Yes</th>
<th>One time early refill up to one month supply per drug.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td><strong>Change in living arrangement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a.</td>
<td>Change in living arrangement where the member’s drugs were managed by the facility. Medicare only.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Discharge/release from hospital/correctional or detoxification center</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a.</td>
<td>Member was discharged from a hospital and the hospital kept the medications that were taken from the member at admission. Medicare only.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>b.</td>
<td>Member was released from a correctional facility or detoxification center and the facility kept the medications that were taken from the member. Medicare only.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>6.</td>
<td><strong>Travel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a.</td>
<td>Member must travel out-of-state/out of country and will not return before the supply of a medication runs out.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>7.</td>
<td><strong>School Supplies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a.</td>
<td>Pharmacy is trying to be reimbursed for “school supplies” for the treatment of asthma or diabetes including inhalers or insulin.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
**Living arrangements OR Facility could be a nursing home, inpatient rehabilitation, transitional care facility, residential treatment facility, ICF-DD facility, adult foster care, or assisted living.**