



State of New Mexico
Medical Assistance Program Manual
Supplement



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TO: ALL PHARMACY AND PRESCRIBING PROVIDERS PARTICIPATING IN THE
NEW MEXICO MEDICAID PROGRAM

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SUBJECTS: I. TAMPER-RESISTANT PRESCRIPTION PADS
II. BILLING FOR DRUG ITEMS ADMINISTERED IN PROVIDER
OFFICES, OUTPATIENT CLINICS AND HOSPITALS

This supplement contains important information for providers who prescribe drugs and who administer drugs in their office, clinic, or outpatient hospital. The information below describes two new federal requirements and how the New Mexico Medicaid Program plans to implement these requirements.

I. TAMPER RESISTANT PRESCRIPTION PADS

General Information

A new law, P.L. 110-28, states that Medicaid can only pay a pharmacy for prescription drugs when the prescription is transmitted to the pharmacy electronically (e-prescribing, fax, or phone call) or is written on "tamper resistant" paper. PL 110-90 extended the implementation date of this law to begin effective April 1, 2008

This law essentially requires that when a practitioner gives a Medicaid recipient a paper prescription, the prescription must be on "tamper resistant" paper. Otherwise, fax, phone call, or e-prescribing should be used.

- The requirement does not apply to pharmacy claims paid by SALUD! managed care organizations or when the payment for prescriptions is included in an all-inclusive payment for

an inpatient hospital stay, an Indian Health Service or tribal compact facility, or a federally qualified health center.

- The requirement does not apply to refills on prescriptions that are presented to a pharmacy prior to April 1, 2008.
- The requirement doesn't apply to nursing homes when a prescription is ordered by a practitioner in a patient's medical chart which the medical staff then phones in directly to a pharmacy. It does apply if a written prescription is taken to the pharmacy.
- The requirement applies when a prescription is refilled for an individual who has become eligible for Medicaid since the initial filling or previous refill. It also applies if the individual receives Medicaid eligibility retroactively. In these cases, for any refills occurring on or after the Medicaid eligibility is established, the pharmacy must obtain a new, tamper-resistant prescription. Alternatively, the pharmacy may obtain verbal confirmation of the prescription from the prescriber or may obtain the prescription from the prescriber by facsimile or e-prescription.

The law has a provision that allows Medicaid payment to a pharmacy for emergency filling of paper prescriptions not on tamper resistant paper if the prescriber provides the pharmacy with a verbal, fax, electronic, or a tamper resistant paper version of the prescription within 72 hours after the date the prescription was filled.

The next phase of the requirement, unless the law is changed, is that effective October 1, 2008, a paper prescription must meet all three of the characteristics of tamper resistant, not just one characteristic. (See characteristics of "tamper resistant", below.)

New Mexico Medicaid Instructions

The New Mexico Medicaid Program believes it is important for Medicaid recipients to continue to obtain their medications without disruptions after the April 1, 2008, effective date.

We urge practitioners to start converting to tamper resistant prescription pads as soon as possible, knowing that it is a federal requirement, that the Medicaid Program will soon be enforcing the requirement, and that is it an effective means of reducing prescription fraud and abuse. Alternatively, we recommend that providers use fax or telephone transmissions to convey a prescription to a pharmacy.

The Medicaid program is in the process of using a federal grant to develop e-prescribing capabilities and will be sending information on that topic to practitioners after January 1, 2008.

Characteristics of Tamper Resistant Prescriptions

Paper is considered tamper resistant when it has one of the following:

- (1) One or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form. An example would be paper that when copied reveals the word "void".

- (2) One or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription. An example would be paper that changes color or loses color when erasure is attempted.
- (3) One or more industry-recognized features designed to prevent the use of counterfeit prescription forms. Examples would be paper with words or symbols that are only seen when turned at an angle or paper that uses water marks.

Faxed or telephoned prescriptions and e-prescribing methods are also considered tamper resistant and are not affected by the new requirements.

Obtaining Tamper Resistant Prescription Pads

Providers who prescribe medications should realize that even though the law applies only to claims filed directly with the Medicaid program at this time, the future will almost certainly see an expansion of these requirements to other payers and perhaps to all controlled substances.

Therefore, we recommend that providers switch to tamper resistant prescription pads and use fax or telephone when possible to assure prescriptions are not altered. The Medicaid program is in the process of using a federal grant to develop e-prescribing capabilities and will be sending information on that topic to prescribers after January 1, 2008.

Tamper resistant prescription pads are commercially available. We suggest prescribers contact their professional associations to determine if special price arrangements are being made by their associations. The New Mexico Medical Society, for example, is working on a pricing arrangement with AlphaGraphics which is one of the companies that produce tamper resistant prescription pads.

Another means of meeting the tamper resistant requirement is to purchase tamper resistant paper and to computer-print the prescription on that paper. Prescription writing software, which many practitioners already have, is available and would just involve printing on tamper resistant paper.

There are numerous companies that provide tamper resistant prescription pads and/or tamper resistant paper for prescriptions. A partial list of prescription vendors is provided below:

www.medi-scripts-services.com
www.highsecuritypaper.com
www.nationalrxsecurity.com
www.scriptshield.com
www.kwiktickets.com/prescriptionPad.html
www.rxsecurity.com
www.chicagowatermark.com/Rx_pres_prices.html

These are examples of vendors. It is not clear from CMS' guidance which, if any, of these vendors provides compliant tamper-resistant prescription pads.

II. BILLING FOR DRUG ITEMS ADMINISTERED IN PROVIDER OFFICES AND OUTPATIENT CLINICS AND HOSPITALS

The federal Deficit Reduction Act of 2005 (signed in 2006) requires Medicaid providers to report the 11-digit National Drug Code (NDC) on the CMS1500 and UB04 claim forms when billing for many injections and other drug items administered in outpatient offices, hospitals, and other clinical settings.

This requirement is effective with dates of service on or after January 1, 2008. The current CMS1500 and UB04 claim forms and the 837 electronic billing formats were all designed with this requirement in mind.

The NDC code as found on the label of a prescription drug item must be included on the CMS1500 or UB04 claim form. The NDC codes are usually represented as an 11-digit number with hyphens separating the number into segments. When reporting the NDC, do not include the hyphens. If the number is only 10 digits on the label, a leading zero must be entered.

Because the standards for reporting the NDC code for a practitioner billed drug item have been slow in being developed at the national level, MAD intends to seek a federal waiver to extend the effective date beyond January 1, 2008. However, because the granting of the waiver is not certain and the requirement will soon need to be enforced, it is important for providers to begin to program their billing systems to report NDC information as described below.

Contact your software vendors now so they can begin modifying your billing software.

For questions on policy, please contact call (505) 827-3181.

Should you have any questions on the coding requirements, please contact ACS at 800-299-7304 or 505-246-0710 and select option 2.

Thank you. We appreciate your participation in the New Mexico Medicaid program.

**INSTRUCTIONS FOR BILLING
DRUG ITEMS ADMINISTERED IN PROVIDER OFFICES,
OUTPATIENT CLINICS AND HOSPITALS**

CMS1500 FORM

NDC codes are required whenever the provider bills one of the following HCPCS or CPT codes:

1. Codes in the range J0120 - J9999 (various injections and chemotherapy)
2. Codes in the range S0012 - S0197 and S4990 - S5014 (various items)
3. Codes in the range S5550 - S5571 (insulin injections)
4. Codes in the range 90281 – 90399 (immune globulins)
5. Codes 90476 – 90749 (vaccines) but only when not part of the DOH vaccines for children program.

Even if an NDC is entered, a valid HCPCS or CPT code must be entered in the non-shaded area of 24D.

- Beginning at the left edge of the shaded area of field 24A, enter the 2-digit qualifier “N4” immediately followed by the 11-digit NDC. For example, the entry for the NDC code 00054352763 would be: N400054352763
- The unit of service is very important. Units for injections must be billed consistent with the HCPCS description of the code. For example, J0610 “Injection Calcium Gluconate, per 10 ml” would be billed as 1 unit for each 10 ml ampul used.
- Reporting the NDC code requires providers to use both the upper and lower rows on a claim line. Be certain to line up the information accurately so that all characters fall within the proper box and row.

	24. A. DATES OF SERVICE						B. PLACE OF SERVICE	C. ICD-9-CM PROCEDURE CODE	D. PROCEDURES, SERVICES, OR SUPPLIES		E. DIAGNOSIS (ICD-9-CM)	F. CHARGES	G. UNIT OF MEASURE	H. UNIT PRICE PER UNIT	I. CPT CODE	J. RENDERING PROVIDER ID #	PHYSICIAN OR SUPPLIER INFORMATION
	From MM	DD	YY	To MM	DD	YY			(Explain Usual Circumstances)	MODIFIER							
1																	
2																	
3																	
4																	
5																	
6																	

Enter NDC in the shaded area of box 24A

While the information requested above is the minimum that will be necessary for the New Mexico Medicaid Program, there are standards for reporting additional information that other payers may eventually require. MAD is also capable of receiving the additional information when submitted on a claim. Therefore, a provider changing their billing system may want to also add information according to the following format:

eventually require. MAD is also capable of receiving the additional information when submitted on a claim. Therefore, a provider changing their billing system may want to also add the following information according to the following format:

- Beginning at the left edge of form locator 43, enter the 2-digit qualifier “N4” immediately followed by the 11-digit NDC, immediately followed by the four (4) character unit of measure qualifier, immediately followed by the quantity with a floating decimal with a limit of three (3) characters to the right of the decimal point.
- The four (4) unit of measure qualifiers are:
 - FL – International Unit
 - GR – Gram
 - ML – Milliliter
 - UN – Units

837 P and 837 I

You will need to notify your billing or software vendor that the NDC code is to be reported in the following fields in the 837 format. Follow the companion guides for more information.

loop 2410

seg LIN

field LIN02: use the qualifier “N4”

field LIN03: place the 11 digit NDC here