New York State EPIC Prescription Protection for Seniors

Pharmacy Bulletin

P.O. BOX 15018, ALBANY, NY 12212-5018 1-800-634-1340

BULLETIN NO. 10-02 **July 2010**

- **SUBJECT: EPIC Program Changes**

As the result of recent statutory amendments to Title III of the NYS Elder Law, effective October 1, 2010, EPIC members with Medicare Part D will be required to maximize the use of their Part D coverage. This change will result in lower program costs and reduced out-of-pocket expense for members.

EPIC will continue to provide members with:

- Primary coverage for claims denied by the Part D plan only after the members, with assistance from their prescribers, have exhausted two levels of appeal available under Medicare Part D and documentation of the denial at appeal level 2 (Reconsideration) has been received by EPIC.

  - Coverage of up to a 90-day temporary supply may be obtained from EPIC after the pharmacist notifies the prescriber that the member's Part D plan and EPIC have denied payment for the prescribed medication and the prescriber does not choose to change the prescription but instead, informs the pharmacist that a Medicare Part D appeal will be pursued.

  - To obtain the 90-day temporary supply from EPIC while the appeal is being processed, the prescriber will need to call the EPIC Temporary Coverage Request (TCR) Helpline at **1-800-634-1340**. If the pharmacist cannot reach the prescriber to find out if an appeal is being pursued, he/she may call the TCR Helpline to request authorization to dispense a 3-day emergency supply (see page 3).

- Primary coverage for drugs that are excluded from Medicare Part D coverage:
  - Benzodiazepines
  - Barbiturates
  - Prescription vitamins and minerals
  - Drugs for anorexia, weight loss or gain
  - Drugs for cosmetic purposes
  - Drugs to relieve cough and cold symptoms

- Secondary (supplemental) coverage for drugs that are first covered by the Part D plan as primary payer. This allows EPIC to help members pay their Part D deductibles, co-payments/coinsurance and coverage gap (donut hole) claims for drugs that are covered by the Part D plan.

Program Change Impact

Effective October 1, 2010, if any member presents prescriptions for drugs not covered by his or her Part D plan, the claims will deny and the pharmacies will receive the message; ***Not covered by EPIC. Pursue Part D plan coverage***, with a NCPDP 70 "NDC Not Covered" denial.

- In the event the pharmacist cannot resolve the claim denial with the Part D plan, he/she will be required to notify the prescriber that Medicare Part D has denied payment for the drug and that if the prescriber chooses not to change the prescription to a drug covered by the member's Part D plan, a Medicare Part D appeal must be pursued.

- If the prescriber chooses to change the prescription to a drug covered by the Medicare Part D plan or the request for coverage or appeal is approved, the claim will be processed through the Part D plan. EPIC will provide secondary coverage to help pay the deductible, co-payment/ coinsurance or coverage gap claims.

Maximizing Medicare Part D Coverage

A recent analysis of claims that were submitted to EPIC from participating pharmacy providers with an Other Coverage Code of 3 (Field 308-C8 - Other coverage exists, this claim not covered) revealed that some pharmacies are not appropriately submitting claims to the Part D plans. Below are some guidelines for proper billing through Part D:

EPIC is the payer of last resort and Part D must be billed correctly and accept the claim prior to billing EPIC for deductibles, co-payments or coverage gaps.

- If the Part D plan denies a claim for any reason, the pharmacist should try to resolve the denial and, if unsuccessful, contact the prescriber to discuss appropriate actions to resolve the claim such as changing the drug, quantity, obtaining a Part D prior authorization, or initiating a coverage determination or if necessary, an appeal. Invalid or questionable reject codes being submitted to EPIC will no longer be accepted.

For Example:

- NCPDP Code 70 – NDC Not Covered – The pharmacy should confirm with the Part D plan why the NDC is not covered and consult with the prescriber if necessary. Beginning on October 1, 2010, EPIC will no longer accept the Submission Clarification Code (SCC - Field 420-DK) of 7 or 99 for overrides.

- NCPDP Code 75 – Prior Authorization Required – Contact the Part D plan or the prescriber if necessary. Beginning on October 1, 2010 EPIC will no longer accept the Submission Clarification Code (SCC - Field 420-DK) of 7 or 99 for overrides.

- NCPDP Code 76 – Plan Limitations Exceeded – The prescription must adhere to the member's Part D plan quantity limits – i.e. If the Part D plan allows a 30-day supply, EPIC cannot be billed for a greater than 30-day supply.

- NCPDP Code 88 - DUR Reject Error – Follow the Part D guidelines. Resolve with prescriber if necessary.

- All Part B Drugs must be billed to Part B if applicable.

- Drug discount cards cannot be used to bill EPIC as the primary payer for EPIC members with Medicare Part D coverage. The Medicare Part D plan is the primary payer.

- When submitting claims, use prescriber NPI number in prescriber ID field (when available).

- The latest payer specifications, dated June 2010, will be available shortly at: http://nyhealth.gov/health_care/epic/pharmacy_prescriber.htm

EPIC's Temporary Coverage Request (TCR) Helpline

Available October 1, 2010

If the prescriber determines there is no suitable alternative drug, he/she must call EPIC's Temporary Coverage Request (TCR) Helpline and respond to several questions which will create a "temporary override" in EPIC's claims system that will allow for up to a 90-day supply to be dispensed, depending on how the prescription is written.

- TCR Helpline questions will require the prescriber, or the prescriber's authorized agent, to register his/her intent to initiate an appeal. See section entitled "Medicare Part D Appeal Process" (page 4).

- In order to accelerate any request for temporary coverage, the prescriber should be prepared to provide:
  - Member's Name
  - Member's Date of Birth
  - Member's EPIC ID Number
  - Member's Address
  - Name and Phone Number of the Prescriber
  - Address and Fax Number of the Prescriber
  - NPI Number of the Prescriber
  - Name of the drug and its strength

- Once the prescriber has contacted EPIC's TCR Helpline, and registered his/her intent to file an appeal, the claim can be re-processed for up to a 90-day supply. There will be no need for a tracking or authorization number from EPIC.

- If the Part D plan still denies coverage of the drug after the first two levels of the Medicare appeal process have been exhausted, EPIC will cover the drug as the primary payer. The member, pharmacist or prescriber must submit to EPIC a copy of the reconsideration denial letter from the Independent Review Entity (Maximus Federal Services) before EPIC can approve coverage of the drug. The prescriber may be contacted for additional information.
  - This letter should be faxed to **1-800-562-1126**.

- Once the denial documentation is received, and EPIC has confirmed that the first two levels of the Medicare appeal process have been exhausted, an extended override will be granted.

3-Day Emergency Supply

If the pharmacist is unable to reach the prescriber to ascertain whether an appeal is being pursued, he/she can obtain approval for a 3-day (72 hour) emergency supply by calling the TCR Helpline to create an authorization in the claims system.

If the member obtains a 3-day (72 hour) emergency supply and returns to the pharmacy on day 4, and the prescriber still has not acted, additional requests for 3-day (72 hour) emergency supplies may be initiated.

Medicare Part D Appeals Process

Coverage Determination or Prior Authorization

- If a member's drug is not covered by his or her Medicare Part D Plan, the member, with the prescriber's assistance, can request a Coverage Determination from the Part D plan at any time. This request must include a statement of medical necessity from the prescriber.
- The member's plan must decide and notify the member within 72 hours of its decision to approve or deny coverage of the drug (24 hours if expedited).
- A coverage determination can be requested via a phone call to the plan or by paper form submission.

Redetermination - First Level of Appeal

- The member, with the prescriber's assistance, must request a redetermination within 60 days of the date of denial of the coverage determination. This period may be extended with good cause shown.
- The Part D plan has 7 days to make and notify the member of its decision (72 hours for an expedited appeal).

Reconsideration – Second Level of Appeal

- The second level starts with a review by the Independent Review Entity (IRE).
- The member, with the prescriber's assistance, must request reconsideration within 60 days of the denial date of the redetermination.
- The Independent Review Entity (IRE), currently Maximus Federal Services, has 7 days to make and notify the member of its decision (72 hours for an expedited appeal).

Implementation Plan

During July – approximately 36,000 EPIC members enrolled in a Part D plan, who in the last 100 days received at least one drug for which EPIC has paid as the primary payer when Part D denied payment, will receive a customized letter (sample attached). Members will be advised to work with their pharmacies to determine why their drug(s) were denied by Part D, and if necessary, to contact their prescriber(s) and see if the drug(s) listed in the letter can be switched to drug(s) covered by their Part D plan.

Approximately 65,000 NYS prescribers will receive notice of the change in NYS law and information on how to interact with the TCR Helpline.

During August - a general letter regarding the program changes will be mailed to the remaining 226,000 EPIC members enrolled in Medicare Part D currently only receiving drugs covered by their Part D plan.

During September - required modifications to EPIC's claims processing and reporting systems will be made to adjudicate claims appropriately in accordance with the legislation.

October 1, 2010 - EPIC's program changes take affect and the TCR Helpline will be available to process prescriber and provider requests.

EPIC will help providers and members by answering questions and guiding them through the new requirements. If members have questions, please refer them to EPIC's toll free Helpline at **1-800-332-3742**. Providers may call the Provider Helpline at **1-800-634-1340**.