

# A L E R T

June 7, 2013

**TO: Pharmacies, Physicians, Physician Assistants, Nurse Practitioners, Oral Surgeons, Optometrists, Dentists, FQHCs, RHCs, Mental Health Service Providers and Nursing Homes**

**RE: Pharmacy/Preferred Drug Program Updates**

**Effective July 1, 2013**, the Alabama Medicaid Agency will:

**1. Make changes to its current policy regarding compound prescriptions and reimbursement for bulk products (i.e., powders) used in compounded prescriptions.**

The changes are outlined below:

- Bulk products will no longer be covered for adults age 21 and older (some exceptions may apply). Selected medically necessary bulk products will remain covered for children.
- Claims for bulk powders must be submitted as a compound claim.
- Compounding time will no longer be reimbursed by Alabama Medicaid.
- The maximum payable amount for a compounded product will be \$200 per claim. Overrides for medical necessity may be approved. Requests for overrides should be submitted to Health Information Designs, Inc. (HID).

For information regarding compound claims and bulk powders, see section 27.2.5 of the Alabama Medicaid Provider Manual at

[http://www.medicaid.alabama.gov/CONTENT/6.0\\_Providers/6.7\\_Manuals/6.7.7\\_Provider\\_Manuals\\_2013/6.7.7\\_Provider\\_Manuals\\_2013.aspx](http://www.medicaid.alabama.gov/CONTENT/6.0_Providers/6.7_Manuals/6.7.7_Provider_Manuals_2013/6.7.7_Provider_Manuals_2013.aspx)

- 2. No longer require prior authorization (PA) for payment of generic lansoprazole.** Brand name Prevacid will continue to require prior authorization (PA).
- 3. Require prior authorization for payment of generic azelastine nasal spray.** Brand name Astelin will be preferred and available with no PA necessary.
- Use Dispense as Written (DAW) Code of 9 for brand Astelin. Generic versions of the drug will be non-preferred and will require prior authorization. DAW Code of 9 indicates the following: Substitution Allowed by Prescriber but Plan Requests Brand - Patient's Plan Requested Brand Product to be Dispensed.

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4. **Update the Preferred Drug List (PDL) to reflect the recent Pharmacy and Therapeutics (P&T) Committee's recommendations as well as quarterly updates.** The updates are listed below:

<b>PDL Additions</b>	
<b>Astelin</b>	EENT Preparations/Antiallergic Agents
<b>PDL Deletions</b>	
<b>Astepro</b>	EENT Preparations/Antiallergic Agents
<b>Maxair Autohaler</b>	Respiratory/Beta-Adrenergic Agents
<b>Pegasys</b>	Anti-infective Agents/Interferons

For additional PDL and coverage information, visit our drug look-up site at <https://www.medicaid.alabamaservices.org/ALPortal/NDC%20Look%20Up/tabId/39/Default.aspx>.

The PA request form and criteria booklet, as well as a link for a PA request form that can be completed and submitted electronically online, can be found on the Agency's website at [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov) and should be utilized by the prescribing physician or the dispensing pharmacy when requesting a PA. Providers requesting PAs by mail or fax should send requests to:

**Health Information Designs (HID)  
Medicaid Pharmacy Administrative Services  
P. O. Box 3210 Auburn, AL 36832-3210  
Fax: 1-800-748-0116  
Phone: 1-800-748-0130**

Incomplete PA requests or those failing to meet Medicaid criteria will be denied. If the prescribing physician believes medical justification should be considered, the physician must document this on the form or submit a written letter of medical justification along with the prior authorization form to HID. Additional information may be requested. Staff physicians will review this information.

Policy questions concerning this provider notice should be directed to the Pharmacy Program at (334) 242-5050. Questions regarding prior authorization procedures should be directed to the HID help desk at 1-800-748-0130.