



# State of New Mexico Medical Assistance Program Manual Supplement



**DATE: November 12, 2004**

**NUMBER: 04-15**

TO: ALL Pharmacy Providers  
FROM: Carolyn Ingram  
Director Medical Assistance Division  
RE: Preferred Drug List Implementation

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Beginning December 1, 2004, pharmacy benefits for many Medicaid clients will begin to follow a pharmacy Preferred Drug List (PDL), as required by state statute 27-2C-3 NMSA 1978. This program will be called **NMR<sub>x</sub>**.

A "Pharmacy PDL Administrator" (PPA) will administer the **NMR<sub>x</sub>** program under the management of the Human Services Department. The Pharmacy PDL Administrator is Presbyterian Health Plan.

### **Overview - When a Medicaid client has been enrolled in the NMR<sub>x</sub> Pharmacy PDL Plan:**

- The client will receive a pharmacy card from Presbyterian Health Plan indicating the client is enrolled in the **NMR<sub>x</sub>** Presbyterian Healthcare Pharmacy Plan.
- The client's prescriptions will be subject to the PDL, quantity limits, medical exception requirements, and utilization controls of the Pharmacy PDL Administrator.
- The pharmacy will submit claims directly to the Presbyterian Health Plan/MedImpact for processing and will be paid directly by Presbyterian Health Plan/MedImpact. Questions on denials, payments, and policies will be handled by Presbyterian Health Plan/MedImpact. **Call 1-888-923-5757.**

### **Medicaid Clients in the PDL Plan – In the first phase, clients enrolled in the NMR<sub>x</sub> Pharmacy PDL Plan will be individuals who are eligible for both Medicare and Medicaid ("dual eligible" clients):**

- The first phase will not include clients who are in nursing or ICF-MR facilities, or who are Native Americans. They will continue to have their pharmacy needs provided directly by the Medicaid Program and not through the Pharmacy PDL Administrator.
- The first clients, approximately 20,000 individuals, will be enrolled in the **NMR<sub>x</sub>** Pharmacy PDL Plan for dates of service beginning December 1, 2004. Following the initial enrollment, new Medicaid clients meeting the criteria will be enrolled each month.
- Because dual eligible clients are not enrolled in SALUD! Managed Care, there will be no overlap between SALUD! and clients enrolled in the Pharmacy PDL Plan. However, if a client in SALUD! becomes eligible for Medicare, they will be transferred from SALUD! to the Pharmacy PDL Plan at the beginning of the next month.

### **Transitioning Clients to the PDL – To assure a smooth transition:**

- The Pharmacy PDL Administrator will make every effort to identify clients using medications not on the PDL and grant a 60-day grace period to continue the non-PDL item by issuing an automatic medical exception for the item.
  - The 60-day grace period will not apply to Zyrtec, Clarinex or Allegra, where the preferred agent, loratadine, will be enforced beginning December 1. Also, if a client is receiving a new drug item, the PDL will be enforced. The 60-day
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period is only to transfer from existing medications. The 60-day grace period will only apply to the initial clients enrolled in NMR<sub>X</sub> on December 1, 2004.

- The Pharmacy PDL Administrator will send a letter to clients known to be taking a medication that is not on the PDL asking them to contact the prescriber to have the prescription changed. The client will be asked to show the prescriber the letter because it will contain recommendations for alternatives that are on the PDL. After the 60-day grace period, a claim for an item not on the PDL without a medical exception will be denied.
- The Pharmacy PDL Administrator will consider medical exceptions for items not on the PDL, but will grant medical exceptions only when medically necessary and only when the request is made on the appropriate form with the necessary documentation from the prescriber. See “Procedures for Prescriber”, below.

**Procedures for the Pharmacist – If a pharmacy claim is denied because an item is not on the PDL:**

- A POS text message will appear telling the pharmacy the item is not on the PDL.
- The pharmacist should notify the client that the drug prescribed is not a preferred drug and contact the prescriber to discuss the preferred drug options.
- The pharmacist and prescriber will have access to the PDL on the internet. Information may be found by clicking on NMR<sub>X</sub> at <http://www.phs.org> or selecting NMR<sub>X</sub> at <http://www.phs.org/facilities/pharmacy/formulary.shtml> The PDL may be downloaded onto a PAD.

**Procedures for the Prescriber – Even though the pharmacy benefit is administered by Presbyterian Health Plan, the prescriber DOES NOT need to be a participating provider with Presbyterian Health Plan to prescribe drug items. If the prescriber wishes to request authorization for an item not on the PDL, the prescriber must request a “medical exception” :**

- The prescriber will find the medical exception request form on the Internet on the page for the NMR<sub>X</sub> Pharmacy PDL Plan at <http://www.phs.org> but will need an access code to download it.
- The medical exception form may also be obtained by calling Presbyterian Health Plan at 1-888-923-5757.
- The prescriber must complete the document with all requested information and fax it to Presbyterian Health Plan.
- Medical exceptions will be issued by Presbyterian Health Plan, NOT by the Medical Assistance Division.

**Utilization Controls - The Pharmacy PDL Administrator will enforce such utilization controls such as:**

- Require medical exceptions for “Dispense As Written” requests when generic items are available, as well as require medical exceptions for some other items; enforce quantity limits, dose optimization, step therapy edits, and required prescriber specialty for some items; and require 14-day initial supply and 90-day maintenance supply for certain drugs.
- Require tablet splitting for a limited number of items with the pharmacy being reimbursed to pre-split. The client will not be required to split tablets.
- Information on these and other utilization controls may be found on the page for the NMR<sub>X</sub> Pharmacy PDL Plan at <http://www.phs.org> and are administered by Presbyterian Health Plan, NOT by the Medical Assistance Division.

**Pharmacy Participation – If a pharmacy already participates in the Presbyterian SALUD! Pharmacy Program, no additional enrollment to participate in the NMR<sub>X</sub> PDL Plan is necessary.**

- A pharmacy not currently participating may enroll by calling 1-888-923-5757.

**Pharmacy Billing - The pharmacy will submit claims, using the same bin # (003585) as for Presbyterian SALUD pharmacy claims, to MedImpact. Therefore, no system changes should be necessary for a pharmacy’s point-of-sale system. However, note the following changes:**

- The client ID number as it appears on the Presbyterian Health Plan NMR<sub>X</sub> pharmacy card must be used rather than the Medicaid ID number. If the client forgot their card, you can call 1-888-923-5757.
- The carrier code on the NCPDP transaction is different from SALUD! The carrier code is 32190.
- The group code on the NCPDP transaction is different from SALUD! The group code is OM2022.

**Reimbursement – The dispensing fee for drug items under this plan will be \$3.65.**

- Federal upper limits (FUL) will still apply. Maximum amounts for multi-source drugs will also apply, calculated by examining prices of therapeutically equivalent generic items. Pharmacy providers may provide input to Presbyterian Health Plan when an established upper limit for reimbursement does not seem reasonable.
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Should you have any questions on this information with regards to Presbyterian Health Plan, you may contact Presbyterian Health Plan at 1-888-923-5757. Please state that your question concerns the Pharmacy PDL Plan. **Questions on the PDL and pharmacy policies will be handled by Presbyterian Health Plan, not by the Medical Assistance Division or ACS: Call Presbyterian Health Plan at 1-888-923-5757**

If you need to contact the Medical Assistance Division, call (505) 827-3165. We appreciate your continued participation in the Medicaid Program. We believe with your help we can make this transition successful for everyone. Thank you.

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