INFORMATIONAL LETTER NO. 644

To: All Iowa Medicaid Physician, Dentist, Podiatrist, Pharmacy, Home Health Agency, Rural Health Clinic, Clinic, Skilled Nursing Facility, Intermediate Care Facility, Community MH, Family Planning, Residential Care Facility, ICF MR State, Community Based ICF/MR Providers
From: Iowa Department of Human Services, Iowa Medicaid Enterprise
Date: September 26, 2007
Subject: Changes to the Preferred Drug List (PDL). For all other changes, refer to the PDL.
Effective: October 29, 2007

1. Changes to the Preferred Drug List (PDL)[1]

Preferred	Non-Preferred	Recommended	Non-Recommended
Amlodipine	Altabax™		Seroquel XR™
Exforge®	Amlodipine/Benazepril		
Fludrocortisone	AzaSite™		
Ondansetron (Tabs/ODT/Soln/Inj)[2]	Carisoprodol		
Pataday™	Cefdinir		
	Elestrin™		
	Letairis™ [3]		
	Lovaza™ [4]		
	Lybrel®		
	Moexipril		
	Norvasc®[5]		
	Pulmicort Flexhaler™		
	Symbicort®		
	Terbinafine		
	Veramyst™		
	Zofran® (Tabs/ODT/Soln/Inj)[2, 5]		

2. Changes To Existing Drug Prior Authorization Categories

A. GI-Digestive Enzymes: Two preferred drug trials will now be required prior to consideration of coverage of a non-preferred product.
B. GI-Proton Pump Inhibitors: Three preferred drug trials will now be required prior to consideration of coverage of a non-preferred product.
C. Migraine-SSA (5HT) Tablets: Three preferred drug trials will now be required prior to consideration of coverage of a non-preferred product.
D. Muscle Relaxants: Three preferred drug trials will now be required prior to consideration of coverage of a non-preferred product.
E. Sedative Hypnotics/Non-Benzodiazepines: Two preferred drug trials will now be required prior to consideration of coverage of a non-preferred product.

[1] Pemoline & ProSom™ will be removed from the PDL as the manufacture of these drugs have been discontinued
[2] Quantity Limits for Antiemetic - 5-HT3 Receptor Antagonists/ Substance P Neurokinin Apply
[3] Clinical PA Criteria for Pulmonary Arterial Hypertension Agents will apply
[4] Formerly listed as Omacor
[5] After 60 days, only the generic will be preferred

3. ProDUR Quantity Limits

Recent enhancements have been made to the list of dose consolidation edits. A comprehensive list of all ProDUR edits appears on our website, www.iowamedicaidpdl.com under the heading, "Billing". It is recommended that this list be reviewed and medications prescribed outside of these dose consolidation edits be adjusted prior to the implementation.

4. ProDUR Age Edits

A. Provigil will only be payable for members 16 years of age and older per FDA approved labeling.
B. Elidel will only be payable for members 2 years of age and older per FDA approved labeling.
C. Protopic 0.03% Ointment will only be payable for members 2 years of age and older per FDA approved labeling.
D. Protopic 0.1% Ointment will only be payable for members 16 years of age and older per FDA approved labeling.

5. Pharmacy Claims Exceeding $10,000

All claims submitted through the pharmacy point of sale system in excess of $10,000 will reject with a denial message stating, "Claim exceeds $10,000, please call POS Help Desk at 877-463-7671 or 725-1107 locally". After verifying the quantity and days supply on the claim are correct, the Pharmacy POS Help Desk should be contacted for consideration of an override. A technician and/or pharmacist will review the information submitted and determine if an override shall be issued. As a part of this process, additional medical documentation regarding the case may be requested from the prescriber and/or pharmacy by the Iowa Medicaid Surveillance Utilization Recovery (SURS) Unit. It is not the intent of this new policy to hinder or deny the delivery of pharmaceutical products to Iowa Medicaid Members; rather, it is to help ensure that proper billing procedures are being followed.

6. Requirement of Proper Reporting of NDCs

The Iowa Medicaid Program can only cover drugs from manufacturers who have signed national Medicaid Drug Rebate Agreements with the Centers for Medicare and Medicaid Services (CMS). Drug companies sign the agreements for specific drug manufacturer codes called National Drug Codes (NDC). Since rebates are determined by Iowa Medicaid's utilization data, it is **imperative** that pharmacies and providers bill Iowa Medicaid using the correct NDC number of the drug actually dispensed or administered. If a provider is dispensing or administering one drug and billing for a different NDC than the drug being dispensed or administered, this is considered fraud, which can result in claims being recouped, sanctions, and termination of provider agreements. Surveillance and Utilization Review Services (SURS) will be monitoring for this in their reviews.

Effective First Quarter of 2008- AWP Reporting by Medi-Span

Wolters Kluwer Health announced on May 25, 2007 that it had entered into an agreement with the plaintiffs of the First DataBank AWP lawsuit regarding their publication of AWP in Medi-Span. Upon court approval of the proposed settlement, Wolters Kluwer Health has agreed to adjust its reporting of Medi-Span's AWP for certain prescription drugs by reducing the mark-up factor utilized to determine the AWP to 1.20 for all products that have a mark-up factor from WAC or Direct Price in excess of 1.20. (i.e., an AWP that was calculated as WAC x 1.25 will be decreased to WAC x 1.20). This adjustment is estimated to occur during the first quarter of 2008. Since Iowa Medicaid relies on Medi-Span's AWP to calculate EAC, reimbursement to the pharmacy may be impacted by this reporting change.

We encourage providers to go to the website at www.iowamedicaidpdl.com to view all recent changes to the PDL. If you have any questions, please contact the Pharmacy Prior Authorization Provider Hotline at 877-776-1567 or 515-725-1106 (local in Des Moines) or e-mail info@iowamedicaidpdl.com