

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS

BT201202

JANUARY 10, 2012



## **NCPDP D.0 affects DAW codes**

The Centers for Medicare & Medicaid Services (CMS) issued a final rule that mandates the modification of *Health Insurance Portability and Accountability Act* (HIPAA) transaction standards, including National Council for Prescription Drug Programs (NCPDP) version D.0. The implementation of NCPDP D.0 changes the way providers should submit claims with the following dispense as written (DAW) codes:

Under the NCPDP 5.0, Indiana Medicaid providers submitted a DAW value of 6 to indicate a prescriber's specification of "brand medically necessary" on a prescription. Under D.0, providers should submit a value of 1 for this same prescribing situation.

For the purposes of the Indiana Health Coverage Programs (IHCP) pharmacy benefit, only DAW codes 0, 1, 5, 8, and 9 should be submitted by providers. The table on the following page shows general information about these codes.

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*General information about NCPDP D.0 DAW codes*

<b>NCPDP D.0 DAW code</b>	<b>NCPDP narrative description of code</b>	<b>Relevant information</b>
0	No product selection indicated	Appropriate to use for prescriptions for single-source brand, cobranded/colicensed, or generic products
1	Substitution not allowed by prescriber	<p>Appropriate to use:</p> <ul style="list-style-type: none"> <li>■ When a multiple-source brand-name drug has been prescribed, and the prescriber has signed on the "dispense as written" line of the prescription</li> <li>■ When a multiple-source brand-name drug has been prescribed, and the prescriber has signed on the "dispense as written" line of the prescription and indicated "brand medically necessary," in accordance with law</li> </ul>
5	Substitution allowed – brand drug dispensed as a generic	Appropriate to use when the prescriber has indicated, in a manner specified by prevailing law, that generic substitution is permitted, and the pharmacist elects to dispense the brand-name product
8	Substitution allowed--generic drug not available in marketplace	Appropriate to use when the prescriber has indicated, in a manner specified by prevailing law, that generic substitution is permitted, and the brand product is dispensed because the generic is not currently manufactured, distributed, or is temporarily unavailable; providers' use of this value will be closely monitored via audits
9	Other	Appropriate to use when generic substitution is permitted, but the Office of Medicaid Policy and Planning (OMPP) Preferred Drug List (PDL) lists the brand-name product as preferred

**Other changes**

- The IHCP has changed how payments are processed when third-party liability amounts are a factor. Please see the [payer sheet](#) on the IHCP Companion Guides page (General Provider Services > Electronic Data Interchange (EDI) Solutions > Companion Guides) of indianamedicaid.com for all required fields; and see [NL201111](#) for specific billing instructions.

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- In the "Other Coverage Code" field, 05, 06, 07, and 08 are no longer valid values. Valid values for this field include:
  - 00 – Not specified by patient
  - 01 – No other coverage
  - 02 – Other coverage exists – payment collected
  - 03 – Other coverage billed – claim not covered
  - 04 – Other coverage exists – payment not collected
- Patient residence codes have been expanded. Please see the [payer sheet](#) for more information.

Vendor testing is now under way. If your store or corporation would like more information about vendor testing opportunities, please email [INXIXPharmacyD0@hp.com](mailto:INXIXPharmacyD0@hp.com).

#### QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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