

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT201312    APRIL 23, 2013



## **Effective date of Indiana Medicaid PBM transition planned for May 24, 2013**

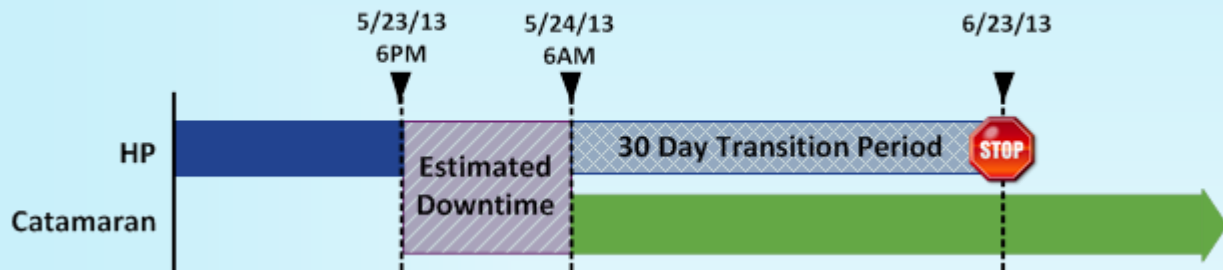
As previously announced in bulletin [BT201307](#), dated March 19, 2013, Catamaran Corporation will serve as the new Pharmacy Benefit Manager (PBM) and pharmacy claims processor for the Indiana Health Coverage Programs (IHCP). A transition of this magnitude requires a series of system adjustments and steps to implement. Pending any unforeseen system problems, plans are for this change to take effect May 24, 2013. Providers are encouraged to monitor the status of the transition date and time line, which will be maintained and reported under News and Announcements on the provider home page of [indianamedicaid.com](http://indianamedicaid.com).

### **Transition time line with an effective date of May 24, 2013**

Effective May 23, 2013, at 6 p.m. Eastern Time, HP will no longer accept point-of-sale (POS) pharmacy claims. The pharmacy claims processing system will be shut down for a period not to exceed 12 consecutive hours. During the downtime, it is important that providers understand they are responsible for verifying member eligibility before filling prescriptions, but must do so using the Automated Voice Response (AVR) system, an Omni device, or Web interChange.

Effective May 24, 2013, at 6 a.m. Eastern Time, all pharmacy claims will be processed by Catamaran. Providers should direct pharmacy claims to the new bank identification number (BIN) and processor control number (PCN) combination "001553/INM." As of May 24, 2013, paper claims, appeals, and requests for administrative reviews and adjustments should be directed to Catamaran. For a period of 30 calendar days, HP and Xerox will forward misdirected pharmacy correspondence to Catamaran. Effective June 24, 2013, all misdirected correspondence will be returned to the provider for appropriate routing.

Figure 1 – PBM transition time line



### Coordination of benefits

Effective with the PBM transition, it is important to note that the following "Other Coverage Codes" from the National Council for Prescription Drug Programs (NCPDP) will not be supported:

- 1 – No Other Coverage
- 0 – Not Specified by patient

If third-party liability (TPL) information returned to the pharmacy is invalid or expired, the provider should direct the member to notify the HP Third Party Liability Help Desk toll free at 1-800-457-4510.

If the pharmacy has performed due diligence to collect payment from the primary insurer but is unsuccessful, the pharmacy must enter the "Other Coverage Code" 4 - *Other coverage exists, payment not collected* in NCPDP field 308-C8 on the claim transaction. The member must contact the HP Third Party Liability Unit to correct any inaccurate information on the member's profile.

### Compound claims

Effective with the PBM transition, compound claims will not suspend at the point of sale based on the claim cost. Catamaran will instead monitor the clinical appropriateness of the drug therapy and provider billing practices for compound claims through real-time and desk auditing.

Single-ingredient compounds will no longer be accepted. When billing a compound, all ingredients – active or inactive – must be included using the National Drug Code (NDC) of each ingredient.

### Prospective Drug Utilization Review

Catamaran will use Medi-Span's drug file for adjudication of pharmacy claims and as a source of Prospective Drug Utilization Review (pro-DUR) criteria. Table 1.0 describes the types of DUR responses pharmacists will see when adjudicating a claim.

*Table 1.0 – POS pro-DUR Alerts*

<b>DUR Screening Alert</b>	<b>Response Type</b>	<b>Parameters (if applicable)</b>
Acute/Maintenance Dose Screening	Message	N/A
Drug Regimen Compliance Screening	Message	N/A
Drug-Drug Interaction Screening	Hard Reject	Level 1 Drug-to-Drug interactions only
Drug-Diagnosis Caution Screening	Message	N/A
Drug-Inferred Health State Screening	Message	N/A
Dosing/Duration Screening	Message	N/A
Drug-Age Caution Screening	Message	N/A
Drug-Sex Caution Screening	Message	N/A
Duplicate Therapy Screening	Soft Reject	N/A
Therapeutic Dose Limits Screening	Soft Reject	N/A
Duplicate Rx Screening	Hard Reject	85% utilization required before refill of same drug is allowed

### Payment and financial information

Effective on the PBM transition date, Catamaran will be responsible for issuing pharmacy claims payment electronic Remittance Advices (RAs) in the standard 835 format. The payment cycle will still run weekly on Tuesdays. The IHCP is subject to the same rules and regulations as all other payers. Catamaran is required to report payments made to providers annually. Providers do not need to submit any new information to facilitate this process.

### Rate setting

Catamaran will be responsible for administering the State Maximum Allowable Cost (SMAC) program for the IHCP and will abide by the requirements outlined in the approved State Plan Amendment. Catamaran will conduct surveys and may reach out to pharmacies to develop and maintain the SMAC rate.

The following is language from the State Plan Amendment regarding the SMAC rate:

*State Maximum Allowable Costs for Legend Drugs – State MACs for legend drugs are developed and maintained as follows: The State MAC is equal to the average actual acquisition cost per drug adjusted by a multiplier of at least 1.0. The actual acquisition cost will be developed by using pharmacy invoices and other information that the Office determines is necessary. The purpose of the multiplier is to ensure that the applicable State MAC rate is sufficient to allow reasonable access by providers to the drug at or below the established State MAC rate. The Office of Medicaid Policy and Planning (OMPP) will review State MAC rates on an ongoing basis, and adjust the*

*rates as necessary to reflect prevailing market conditions and ensure reasonable access by providers to drugs at or below the applicable State MAC rate. Pharmacies and providers that are enrolled in the Indiana Health Coverage Programs (IHCP) are required, as a condition of participation, to make available and submit to the OMPP or its designee, acquisition cost information, product availability information, or other information deemed necessary by the OMPP for the efficient operation of the pharmacy benefit within the IHCP, in the format requested by the OMPP or its designee. This information will be used in the development and ongoing maintenance of the State MACs.*

### **Call center**

Effective on the PBM transition date, Catamaran's Clinical/Technical Help Desk will be the single point of contact for members and healthcare providers with questions, concerns, or requests related to member or provider pharmacy services. Calls related to provider enrollment, physician-administered drugs, Web interChange, and all other nonpharmacy calls will continue to be handled by HP. The Clinical/Technical Help Desk will be open 24 hours a day, seven days a week. Members and providers can reach the help desk toll free by calling 1-855-577-6317.

The following message will be heard when calling Catamaran's Clinical/Technical Help Desk:

"Thank you for calling Indiana Medicaid. Your call may be monitored or recorded for quality assurance purposes.

- If you are an Indiana Medicaid member calling about medical benefits not related to prescription drugs, please hang up and call the member services line toll free at 1-800-457-4584.
- If you are a provider calling about medical coverage or provider enrollment, please call the provider services line toll free at 1-800-577-1278.
- If this is a pharmacy calling about pharmacy claims, please press 1.
- If you are a prescriber calling about pharmacy prior authorization or benefit coverage, please press 2.
- If you are an Indiana Medicaid member with questions about your prescription drug benefits, please press 3.
- For all other inquiries, please press 4."

### **Preferred Drug List and Over-the-Counter Drug Formularies**

The Preferred Drug List (PDL) and Over-the-Counter (OTC) Drug Formularies are not changing as a result of this transition. All existing PDL limits and requirements remain in effect. A copy of the PDL and OTC Drug Formularies will be available under the Pharmacy Services link on [indianamedicaid.com](http://indianamedicaid.com).

### **Pharmacy-related prior authorization**

Criteria used in prior authorization (PA) determinations will not change as a result of the transition. Existing PAs, including start and end dates, will be transferred to Catamaran; providers need not take any action regarding existing PAs. Effective May 24, 2013, pharmacy providers should direct any PA-related questions to Catamaran Clinical/Technical Help Desk toll free at 1-855-577-6317. The following toll-free fax number is to be used for all prior authorization forms: 1-855-577-6384.

All pharmacy-related PA forms, PA criteria, and the Catamaran Clinical/Technical Help Desk toll-free telephone number will be available under the Pharmacy Services link on [indianamedicaid.com](http://indianamedicaid.com).



**E-prescribing**

Catamaran, through its affiliations with e-prescribing switch vendors, Surescripts and Allscripts, will enhance the prescriber's existing e-prescribing capabilities by providing access to member eligibility, formulary, and medication history information.

**Pharmacy audits**

Effective on the PBM transition date, all pharmacy auditing responsibilities will be transitioned from HMS (formerly PrudentRx) to Catamaran. Providers with audit questions should call the Catamaran Pharmacy Audit Department toll free at

1-866-618-6853.

**Real-time audits**

All paid pharmacy claims will be reviewed daily. Certain claims found to be aberrant according to state or federal law will be flagged and the pharmacy provider will be notified via telephone or fax. The provider will be given the opportunity to correct the error, ideally before payment is made, to eliminate the collection process. Catamaran will request, as needed, copies of licenses, signature logs, and Health Insurance Portability and Accountability Act (HIPAA) compliance material from the pharmacy provider. Requested documents should be sent to:

**Catamaran Pharmacy Audit Department**

**Attn: State of Indiana**

**2441 Warrenville Road, Suite 610**

**Lisle, IL 60532**

**Fax: 1-866-244-9066**

**Email: [Rxaudit@catamaranrx.com](mailto:Rxaudit@catamaranrx.com)**

**Website**

Effective on the PBM transition date, indianapbm.com will no longer be a functioning website. Catamaran will host all web pages related to Indiana Medicaid's pharmacy program. These web pages will be accessible through the Pharmacy Services link on [indianamedicaid.com](http://indianamedicaid.com). The link will provide access to the following information:

- Current and archived PDLs
- Current and archived OTC Drug Formularies
- All pharmacy-related PA forms
- Pharmacy-related frequently asked questions (FAQs) for providers and members
- Therapeutic Committee meeting agendas and minutes
- DUR Board meeting agendas and minutes
- Drug Efficacy Study Implementation (DESI) Drug List
- Indiana Medicaid State MAC list

**IHCP Provider Manual**

*Chapter 9: IHCP Pharmacy Services Benefit* of the *IHCP Provider Manual* will continue to outline pharmacy policies and procedures, with updates to reflect the PBM transition. It will continue to be accessible on the [Manuals](#) page of indianamedicaid.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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