



P R O V I D E R B U L L E T I N

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To: All Pharmacy Providers and Prescribing Practitioners

Subject: Updated and Revised Over-the-Counter Drug Formulary

Overview

Note: The information referenced below is not directed to those providers rendering services in the risk-based managed care (RBMC) delivery system.

This bulletin notifies all pharmacy providers and prescribing practitioners of changes and updates to the Indiana Health Coverage Programs (IHCP) Over-the-Counter (OTC) Drug Formulary (formulary). Table 1 lists the drugs and rates included on the formulary effective October 13, 2003.

The formulary does not apply to members of the Hoosier Healthwise Package C Program or those individuals in risk based managed care (RBMC).

Purpose and Intent of the OTC Drug Formulary

The purpose and intent of the formulary is to allow the use of medically necessary OTC drugs when such drugs provide a clinically appropriate and cost-effective alternative to more expensive legend drug products. **Drugs only** are included on the formulary; non-drug products such as medical supplies, are not subject to the formulary. The formulary lists all OTC drugs covered by the IHCP. Any OTC drug not included on the formulary, is not covered by the program. OTC drugs are recommended for inclusion on the formulary by the Indiana Medicaid Drug Utilization Review (DUR) Board, in consultation with the Therapeutics Committee.

Note: As with covered legend drugs, a formulary-listed OTC drug must be from a labeler participating in the federal rebates program in order to be reimbursable by the program.

Using the OTC Drug Formulary

The following information pertains to the formulary:

- The formulary is product, strength, and dosage specific to the extent noted in Table 1. For example, if a drug listed on the formulary has several strengths and only the 10mg tablet is listed on the formulary, only the 10mg tablet is reimbursable.
- OTC injectable insulin products are not listed on the formulary; however, the IHCP covers OTC injectable insulins from rebating labelers.
- The reimbursement for formulary-included OTC drugs is the lower of 150 percent of that drug's State OTC maximum allowable cost (MAC) rate or the provider's submitted usual and customary charge. Providers must, at all time, submit their usual and customary charge.
- The State OTC MAC rate is not overridden by a prescriber's indication of *brand medically necessary*.
- Product categories corresponding to individual formulary items are structured per the First DataBank (FDB) classification system. For questions about whether an OTC drug is included on the formulary, contact the ACS Pharmacy Help Desk at 1-866-645-8344. The help desk is available 24 hours a day, seven days a week.

Providers Submitting Electronic Claims

Pharmacy claims submitted electronically through the point-of-sale (POS) pharmacy claims processing system for products that are **not** included on the formulary will deny with National Council for Prescription Drug Programs (NCPDP) reject 70, *Product/service not covered*.

Providers Submitting Paper Claims

Pharmacy providers submitting paper claims, including the *Compound Drug Claim Form*, for a formulary-included drug should contact the ACS Pharmacy Help Desk to confirm coverage status before submitting claims. Failure to verify whether an OTC drug is included on the formulary places the pharmacy provider at risk of claim denial.

Providers must verify member eligibility before dispensing formulary-included drugs by using one of the Eligibility Verification Systems (EVS) or the POS pharmacy claims processing system.

Suggestions for Improvements to the OTC Drug Formulary

The intent of the formulary is to allow for clinically appropriate, cost-effective OTC drug alternatives, to covered legend drugs. The DUR Board and the Therapeutics Committee, periodically review and make recommendations to the Office of Medicaid Policy and Planning (OMPP) regarding modifications to the formulary. Providers are encouraged to submit **written** suggestions to the following address for OTC drugs to be included on the formulary:

Indiana Medicaid DUR Board
Room W-382
Indiana State Government Center South
402 West Washington Street
Indianapolis, IN 46204
ATTN: OTC Drug Formulary Review

Table 1 – State of Indiana Over-the-Counter Drug Formulary, Effective October 13, 2003

Class	Drug/Dosage	MAC Rate	Unit
Analgesics	Acetaminophen		
	325mg Tablet, Caplet, or Capsule	\$0.01798	each
	500mg Tablet, Caplet, or Capsule	\$0.03884	each
	160mg/5ml Elixir	\$0.01574	each
	100mg/ml	\$0.11662	each
	650mg Suppository	\$0.37313	each
	325mg Suppository	\$0.29131	each
	120mg Suppository	\$0.34769	each
	80mg Suppository	\$0.74120	each
	80mg Chewable tablet	\$0.06333	each
	Aspirin		
	81mg Tablet Chewable	\$0.02397	each
	325mg Tablet	\$0.01214	each
	81mg Tablet EC	\$0.01938	each
	325mg Tablet EC	\$0.01790	each
	Aspirin/Buffered		
	Buffered 5 grains	\$0.02167	each
	Ibuprofen		
	200mg Tablet	\$0.03911	each
Childrens Susp.	\$0.09416	each	
Naproxen			
220mg	\$0.12336	each	
Antacids	Calcium Carbonate		
	500mg Tablet Chewable/Non-chewable	\$0.01363	each
	750mg Tablet Chewable/Non-chewable	\$0.02343	each
	Calcium Carbonate Liquid 1.25gm/5ml	\$0.01800	ml
	Sodium Bicarbonate		
	325mg Tablet	\$0.00765	each
	650mg Tablet	\$0.01127	each
	Aluminum Hydroxide		
	Gel***	\$0.00765	ml
	Gel Concentrate****	\$0.00773	ml
	MAG Carbonate/AL Hydrox/AA*	\$0.00668	ml
	MAG Hydrox/AL Hydrox/Simeth*	\$0.00585	ml
	MAG Hydrox/AL Hydrox/Simeth EX **	\$0.00702	ml
	Magnesium Hydroxide/AL Hydrox*	\$0.00522	ml
	Note:		
*Regular strength is considered to be any magnesium/aluminum combination strength totaling 600mg or less per 5ml (irrespective of strength of simethicone, if included).			
**Extra strength is considered to be any magnesium/aluminum combination strength totaling more than 600mg/5ml (irrespective of strength of simethicone, if included).			
***Regular strength is considered to be any strength of aluminum hydroxide of 400 mg or less per 5 ml.			
****Extra strength is considered to be any strength of aluminum hydroxide of 400mg or more per 5 ml.			

Table 1 – State of Indiana Over-the-Counter Drug Formulary, Effective October 13, 2003

Class	Drug/Dosage	MAC Rate	Unit
Anti-Hemorrhoidals	Hemorrhoidal Preparation Suppository	\$0.25190	each
	Hemorrhoidal Preparation Ointment	\$0.03746	gram
	Nupercainal 1% Oint	\$0.13766	gram
Topical Analgesics	Capsaicin Cream 0.025%	\$0.21122	gram
	Capsaicin Cream 0.075%	\$0.19589	gram
Non-Sedating Antihistamines	Loratidine 10mg tab	\$0.53800	each
	Loratidine/Pseudoephedrine 5/120	\$0.62292	each
	Loratidine/Pseudoephedrine 10/240	\$1.07000	each
Cough and Cold Products	Chlorpheniramine Maleate 4mg Tablet	\$0.00926	each
	2mg/5ml Syrup	\$0.00374	ml
	Clemastine Fumarate 1.34mg tabs	\$0.16330	each
	Diphenhydramine HCL (Products marked as sleep aids are not covered) 25mg Capsule/Caplet/Tablet**	\$0.01520	each
	50mg Capsules	\$0.01910	each
	Diphenhydramine 12.5mg/5ml Syrup	\$0.01086	ml
	Guaifenesin 100mg/5ml Syrup	\$0.01241	ml
	Guaifenesin/D-Methorphan	\$0.01664	ml
	Pseudoephedrine HCL 60mg tablet	\$0.05225	each
	120mg tablet	\$0.35400	each
	30mg Tablet	\$0.02832	each
	7.5mg/0.8ml Drops	\$0.21540	ml
	30mg/5ml Liquid	\$0.01251	ml
15mg/5ml	\$0.02822	ml	
Guaifenesin/Pseudoephedrine Syrup	\$0.06032	ml	
Note: **For products subject to federal upper limits (FUL), State OTC MAC rate is the same as the FUL rate.			
Nasal Products	Sodium Chloride 0.65% Spray/Drops	\$0.03977	ml
	Sodium Chloride 0.4% Spray/Drops	\$0.31666	ml
	Cromolyn Sodium 4 % Spray	\$0.67211	ml
Gastro-Intestinal Products	Docusate Sodium 150mg/15ml Liquid	\$0.01948	ml
	60mg/15ml Syrup	\$0.00653	ml
	50mg Capsule/Caplet/Tablet	\$0.03449	each
	100mg Capsule/Caplet/Tablet	\$0.02320	each
	100mg Tab	\$0.02320	each
	Docusate Calcium 240mg Capsule	\$0.06083	each

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Class	Drug/Dosage	MAC Rate	Unit
	Senna Tablets	\$0.07015	each
	Syrup	\$0.06549	ml
	Granules	\$0.10613	gram
	Bisacodyl 5mg Tablet EC	\$0.02248	each
	Suppository	\$0.11485	each
	Casanthranol/Docusate Sodium 30/100 Capsule	\$0.03219	each
	Syrup	\$0.02146	ml
	Attapulgate Susp 750/15	\$0.00972	ml
	Bismuth Subsalicylate Chew Tab	\$0.10500	each
	Bismuth Subsalicylate Suspension	\$0.01789	ml
	Loperamide HCl 2mg Caps	\$0.54097	each
	Loperamide HCl 1mg/5ml Liquid	\$0.04633	ml
	Glycerin Adult Supp	\$0.09910	each
	Glycerin Pediatric Supp	\$0.12083	each
	Milk of Magnesia Suspension	\$0.00579	ml
	Psyllium mucilloid powder – all strengths	\$0.01768	gram
	Psyllium mucilloid , effervescent powder all strengths	\$0.18900	gram
	Sodium phosphate/NA Biphos Enema, Adult/Pediatric	\$0.00657	ml
	Therevac-SB Docusate Na 238mg/PEG/Glycerin275 mg/4ml	\$1.24563	each
Vaginal Agents	Miconazole Nitrate ointment/cream	\$0.17083	gram
	Miconazole Suppository	\$1.22093	each
	Miconazole Nitrate Dual Pak	\$13.20000	each
	Tioconazole	\$1.86873	gram
	Clotrimazole 2% Cream	\$0.47747	gram
Urinary Analgesic	Phenazopyridine 95mg tabs	\$0.15343	each
Motion Sickness Products	Meclizine 25mg	\$0.07170	each
Otic Products	Carbamide Peroxide	\$0.24236	ml
Eye Products	Artificial tears ophthalmic solution	\$0.20383	ml
	Artificial tears ophthalmic solution, preservative free	\$0.26568	ml
	Artificial tears ophthalmic ointment	\$0.93120	gram
	Artificial tears ophthalmic ointment, preservative free	\$0.93213	gram
	Naphazoline/Pheniramine 0.025%/0.3%	\$0.52500	ml
	Naphazoline Eye Drops 0.012%	\$1.41666	ml
Anti-Flatulants	Simethicone 40mg/0.6ml Drops 40mg/0.6ml Drops	\$0.14984	gram

Table 1 – State of Indiana Over-the-Counter Drug Formulary, Effective October 13, 2003

Class	Drug/Dosage	MAC Rate	Unit
Topical Products	Bacitracin 500U/g Ointment	\$0.04523	gram
	Bacitracin/Polymyxin B Sulfate Ointment Topical Powder Triple Antibiotic Bacitracin/Polymyxin B/ Neomycin B Neomycin Sulfate/Polymyxin B Sulfate, ointment	\$0.12677	gram
		\$0.80649	gram
		\$0.09674	gram
		\$0.09091	gram
	Neomycin Sulfate/HC 0.5% Ointment Selenium Sulfide Shampoo Clotrimazole 1% Cream Miconazole Nitrate 2% Cream Dibucaine 1% Ointment Ammonium Lactate 12% Lotion Ammonium Lactate 5% Lotion Diphenhydramine HCL Cream 2% Benzoyl Peroxide 5% Gel/Oint./Cream Benzoyl Peroxide 10% Gel/Oint./Cream Hydrocortisone Acetate 1% Oint/Cream Hydrocortisone Acetate 0.5% Oint/Cream Permethirn 1%	\$0.05664	gram
		\$0.01562	gram
		\$0.29066	gram
		\$0.17083	gram
		\$0.03000	gram
		\$0.04546	gram
		\$0.05679	gram
		\$0.21039	gram
		\$0.04555	gram
		\$0.48880	gram
		\$0.05850	gram
		\$0.05966	gram
		\$0.18610	gram
H2 Antagonists		Cimetidine 200mg Tablet	\$0.36108
	Famotidine 10mg Tablet	\$0.27124	each
	Nizatidine 75mg Tablet	\$0.37291	each
	Ranitidine 75mg Tablet	\$0.29490	each
Smoking Cessation Products	Nicotine Chewing Gum 2mg Gum 4mg Gum	\$0.34759	each
		\$0.44165	each
	Nicotine Topical Patch 7mg/24 hour 14mg/24hour 21mg/24 hour 11mg/24 hour 22mg/24 hour 15mg/16 hour	\$3.02790	each
		\$3.02790	each
		\$3.02790	each
		\$2.41022	each
		\$2.41022	each
Electrolyte Replenishment	Electrolyte Replenishing Solutions	\$0.00472	ml
	Naph, MB-DB/K Ph Mbdb (Neutra-Phos)	\$0.45960	each
Emetic	Ipecac Syrup	\$0.02340	ml
Vitamins and Supplements+			
Enzymes+	Lactase Enzymes	\$0.07288	each
Glucose/ Dextrose+	Glucose Tablets, 25g	\$0.16500	each

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Class	Drug/Dosage	MAC Rate	Unit
	Gel (40% Dextrose) 25g	\$0.03161	gram
	Dextrose Tablets	\$0.15990	each
Calcium Supplements+	Calcium Carbonate/Vitamin D	\$0.04954	each
	Calcium Carbonate 1.25g tablet (500mg Elemental Calcium)	\$0.05768	each
	Calcium Citrate 950mg tablet	\$0.04945	each
Iron Products+	Polysaccharide Iron 150mg Capsule/Caplet/tablet	\$0.17055	each
	Ferrous Sulfate 220mg/5ml Elixir	\$0.00908	ml
	325mg Tab EC	\$0.01744	each
	250mg Extended Release Capsule	\$0.05770	each
	75mg/0.6ml Drops	\$0.05107	ml
Vitamin+	Vitamin B Complex with/without Minerals Liquid	\$0.01044	ml
	Ascorbic Acid 1000mg tablet	\$0.04451	each
	250mg tablet	\$0.01618	each
	500mg tablet	\$0.02329	each
	1500mg caplet SA	\$0.07844	each
	Powder	\$0.03710	gram
	Granular	\$0.06787	gram
	Liquid	\$0.02437	ml
	500mg/5ml Syrup	\$0.02659	ml
	Pyridoxine HCL 100mg tablet	\$0.02473	each
	25mg tablet	\$0.02059	each
	250mg tablet	\$0.06743	each
	50mg tablet	\$0.01790	each
	500mg tablet	\$0.10133	each
	Riboflavin 100mg tablet	\$0.03431	each
	50mg tablet	\$0.02581	each
	Thiamine 100mg tablet	\$0.01969	each
	250mg tablet	\$0.04633	each
	50mg tablet	\$0.01349	each
	Vitamin D drops (ergocalciferol)	\$1.07066	ml
	Vitamin E 100 IU Capsule	\$0.02949	each
	200 IU Capsule	\$0.03686	each
	400 IU Capsule	\$0.04747	each
MultiVitamins+	Multivitamins with/without Iron, Other Minerals Liquid	\$0.01043	ml
	Tablet	\$0.03506	each
	Capsule	\$0.03506	each

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Class	Drug/Dosage	MAC Rate	Unit
	Multivitamins with/without Iron, Other Minerals		
	Tablet	\$0.03411	each
	Liquid	\$0.06804	ml
Niacin+	Niacin		
	100mg Tablet	\$0.01349	each
	250mg Tablet	\$0.01960	each
	50mg Tablet	\$0.01070	each
	500mg Tablet	\$0.03866	each
Zinc+	Zinc		
	Lozenge	\$0.05529	each
	220mg Capsule	\$0.04990	each
	200mg Tablet	\$0.00599	each
Magnesium+	Magnesium		
	64mg Tablet, Extended Release	\$0.10414	each
Dialysis Supplements+	Vitamins and Minerals for Dialysis		
	Calcium Carbonate Liquid 1.25g/5ml	\$0.01800	ml
	Ferrous Sulfate Drops 75mg/0.6ml	\$0.05107	ml

+These products are not drugs; therefore, these products are not part of the IHCP Over-the-Counter Drug Formulary. However, these products are covered by the IHCP.

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