

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS

BT201055

NOVEMBER 30, 2010



To DME providers, pharmacy providers, and prescribers

NEW Indiana Health Coverage Programs Preferred Diabetic Supply List

NOTE: This bulletin clarifies the previously published bulletin BT201046 about the Preferred Diabetic Supply List and the NU and RR modifiers for blood glucose monitors and diabetic test strips.

Overview

The state of Indiana's Office of Medicaid Policy and Planning (OMPP) has chosen Abbott Diabetes Care and Roche Diagnostics as preferred vendors to supply blood glucose monitors and diabetic test strips for all Indiana Medicaid and Healthy Indiana Plan members.

Implementation

The following Preferred Diabetic Supply List (PDSL) is for professional claims, including paper CMS-1500 and electronic 837P. This requirement affects all Web interChange, batch, and professional Medicare crossover claims with dates of service on or after January 1, 2011. Implementation is dependent upon approval from the Centers for Medicare & Medicaid Services (CMS). If implementation is delayed due to CMS response, providers will receive notification via bulletin or banner.

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All Indiana Medicaid and Healthy Indiana Plan members currently utilizing a blood glucose monitor will be required to convert to one of the preferred blood glucose monitors and corresponding test strips listed on the next page. The conversion to a preferred blood glucose monitor will be at no additional cost to the member or provider community.

Preferred Diabetic Supply List

Blood glucose monitor	Corresponding test strip
Freestyle Lite System Kit	Freestyle Lite Test Strips
Freestyle Freedom Lite System Kit	Freestyle Lite Test Strips
Precision Xtra Meter	Precision Xtra Test Strips
Accu-chek Aviva Care Kit	Accu-chek Aviva

Billing instructions

Professional claims, including paper CMS-1500, electronic 837P, and Medicare crossover claims for blood glucose monitors and diabetic test strips, must be submitted to the fee-for-service (FFS) medical benefit for all Indiana Medicaid and Healthy Indiana Plan members. A new modifier will be required with the procedure codes for blood glucose monitors and diabetic test strips that are not on the PDSL. The corresponding 11-digit National Drug Code (NDC) will also be required to identify the product being dispensed. If the NDC is missing, invalid, not in the proper format, or does not correspond with the procedure code and modifier provided, claims will be denied.

Billing with NU and RR modifiers

Effective January 1, 2011, a change in billing methodology for blood glucose monitors and diabetic test strips will be implemented. The modifiers NU (indicating a new product) and RR (indicating a rental product) will no longer be used.

Claims with a date of service of January 1, 2011, and after which contain either of these modifiers will be denied. For claims with dates of service prior to January 1, 2011, the NU and RR modifier will still be required for claims payment.

This change affects all providers who submit electronic or paper claims for blood glucose monitors and/or diabetic test strip procedure codes. Because the State may pay up to the 20 percent Medicare B copayment for dually eligible individuals, the NDC and/or modifier will also be required on Medicare crossover claims for all applicable procedure codes.

Procedure codes

Claims for procedure codes E0607 – *Home blood glucose monitor* and A4253 – *Blood glucose test or reagent strips for home blood glucose monitor, per 50 strips* with dates of service on or after January 1, 2011, will require the NDC or NDC and modifier, depending on the vendor of the product being dispensed.

- Claims billed for an NDC included on the PDSL will not require the addition of modifier U1. If modifier U1 is included with a preferred blood glucose monitor or diabetic test strip NDC, the claim will be denied for edit 4300 – *Invalid NDC-to-procedure code combination*.
- Claims billed for a blood glucose monitor or diabetic test strip not listed in the table above will require the addition

of modifier U1, along with the NDC and appropriate procedure code. Claims billed for an NDC not on the PDSL will be denied for edit 4300 – *Invalid NDC-to-procedure code combination* if modifier U1 is not included.

837P transaction

Electronic, Web interChange, batch, and professional Medicare crossover formats have designated fields for the procedure code, procedure code units, and NDC. Please refer to the *Companion Guide* for additional information.

CMS-1500

For complete billing instructions for the CMS-1500 form, please see the [IHCP Provider Manual, Chapter 8, Section 3](#). To report the NDC on the CMS-1500 claim form, enter the following information in the shaded portion of fields 24A to 24H (refer to the figure below for additional information):

- Enter the NDC qualifier of N4
- Enter the NDC 11-digit numeric code

24. A.	DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)				E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OF UNITS	H. EPDIT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #	
	From MM DD YY	To MM DD YY	MM	DD	YY	MM			DD	YY	CPT/HCPCS	MODIFIER							
1	N4	55513019001	Pegfilgrastim	ML	0.6					J2505				13	3800	00	1	N	1B 12345678901 NPI 0123456789

Editing the NDC

The following edits will be activated as part of claims processing:

- Edit 217 – *NDC number is missing.*
- Edit 218 – *NDC number is not in a valid format.*
- Edit 4004 – *This NDC is not on file. Please verify that the NDC was filed correctly.*
- Edit 4300 – *Invalid NDC-to-procedure code combination*
- Edit 4360 – *Diabetic test strips and monitors is limited to specific products.*



Prior authorization

Blood glucose monitors and diabetic test strips not included on the PDSL will require a prior authorization (PA). The OMPP advises prescribers to prescribe only the products listed on the PDSL. This eliminates the need to obtain prior authorization for a product not listed on the PDSL. Prescribers may also write the prescription in a generic version (“Blood glucose monitor and/or diabetic test strips”) to allow for dispensation of the blood glucose monitor or diabetic test strip product, included on the PDSL, by the pharmacy or durable medical equipment (DME) provider. If a member has a unique circumstance that requires the use of a product not listed on the PDSL, the prescriber must obtain prior authorization. Prior authorization will be granted for members based on medical necessity.

All diabetic test strips will continue to be limited to a quantity of 200 strips per month. Quantities exceeding 200 strips per month will continue to require PA. Existing prior authorizations for the 200-per-month limitation will be honored

through their authorized dates for the test strips on the PDSL. For members requiring use of a product not on the PDSL, a new prior authorization must be obtained.

Please refer to the contact information below to identify the appropriate vendor for prior authorization information and requests based on member eligibility.

Member liability

There is no change to member liability for blood glucose monitors and diabetic test strips. Members will continue to have no copayment for blood glucose monitors and diabetic test strips, regardless of their inclusion on the PDSL. Members subject to spend-down will still be responsible for any spend-down liability at the time the claim adjudicates.

Reimbursement policy

The IHCP is not changing its reimbursement policy pertaining to blood glucose monitors or diabetic test strips at this time. Claims for these products continue to be priced according to the fee schedule available on indianamedicaid.com.

Remittance Advice

The Remittance Advice (RA) will not display the NDC submitted on the claim. Providers may contact HP Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278, access indianamedicaid.com, or use the 276/277 transactions for additional information regarding denied claims.

Billing of other diabetic supplies

This information does not apply to other diabetic supplies, including but not limited to syringes, pen needles, lancets, lancing devices, alcohol swabs, control solutions, ketone strips, or blood ketone test strips.*

*Note: Currently, blood ketone test strips are not covered by the Indiana Health Coverage Programs (IHCP).

Member communications

A [member notice](#) will be mailed November 15, 2010, to Indiana Medicaid and Healthy Indiana Plan members now receiving diabetic services to notify them of the change and provide direction for how to obtain a new preferred monitor and test strips at no cost.

Member education/training

There will be no changes to the current availability of diabetic education for members and/or reimbursement for education by IHCP providers. Providers should continue to provide training to members in regards to the preferred blood glucose monitors and/or refer the members to the manufacturer of the product.

Prior authorization will be required for diabetes self-management training services that exceed the established limits for the service.

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Diabetes self-management training services have limited coverage. Coverage of diabetes self-management training services is limited to a total of eight hours of diabetes self-management training services per recipient, per 12-month period, applicable under any of the following circumstances:

- Receipt of a diagnosis of diabetes
- Receipt of a diagnosis that represents a significant change in the insured's symptoms or condition
- Re-education or refresher training.

Additional time may be authorized through the standard prior authorization request process. The documentation for additional requested units of service will be carefully reviewed for evidence of medical necessity based on the changes outlined in this bulletin.

Providers are reminded that they are not entitled to IHCP reimbursement for a service they provide to the general public at no charge, including diabetes self-management training services.

Contact information

For medical claims processing questions, please contact HP Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

For PA requests, please contact the appropriate PA vendor based on member eligibility.

PA vendors

<i>Care Select members</i>	<i>Fee-for-service (FFS) and risk-based managed care (RBMC) members</i>
<p><u>ADVANTAGE Health SolutionsSM</u> Medical PA 1-800-784-3981 Fax: 1-800-689-2759 P.O. Box 80068 Indianapolis, IN 46280</p>	<p><u>MDwise</u> Medical PA 1-866-440-2449 Fax: 1-877-822-7186 P.O. Box 44214 Indianapolis, IN 46244-0214</p>
	<p>ADVANTAGE Health SolutionsSM 1-800-269-5720 Fax: 1-800-689-2759 P.O. Box 40789 Indianapolis, IN 46240</p>

For the Abbott Diabetes Care Product Support Line, call 1-888-522-5226. For the Roche Diagnostics Customer Care Center, call 1-800-858-8072. Product assistance is available 24 hours a day, seven days a week from both manufacturers.

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