

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201540 JUNE 16, 2015

IHCP reminds providers of emergency supply policy for drugs requiring prior authorization

Indiana Health Coverage Programs (IHCP) Bulletin [BT200613](#), dated April 28, 2006, advised providers of the IHCP policy pertaining to federal- and state-mandated emergency supply provisions for covered drugs that require prior authorization. Federal law (*42 USC 1396r-8*) requires states with a pharmacy prior authorization (PA) program to provide for at least a 72-hour supply of a covered outpatient drug in an emergency situation, as defined by the Secretary of Health and Human Services. The IHCP refers to such a supply as an emergency supply.

The policy regarding emergency supply is posted on the Emergency Supply web page, accessible using the [Pharmacy Services](#) quick link at [indianamedicaid.com](#). The policy and billing instructions are further outlined in [Chapter 9: IHCP Pharmacy Services Benefit](#) of the *IHCP Provider Manual*.

Compliance and audit requirements

Through its pharmacy provider audit function, the IHCP Pharmacy Benefit Manager (PBM), Catamaran Corporation, has identified instances of possible noncompliance with the emergency supply policy. Specifically, it appears that some providers have indicated "emergency supply" on claims when the dispensing circumstances do not support that specification. The IHCP considers holidays, weekends, and other times when prior authorization offices are closed as emergency situations that qualify for dispensing a maximum four-day supply of a covered outpatient drug without PA, when PA would otherwise be required. The IHCP policy does not allow pharmacy providers to circumvent other applicable program parameters – such as Preferred Drug List (PDL) status, brand medically necessary requirements, PDL step therapy edits, and early refill edits – by specifying "emergency supply" on a claim when no emergency situation exists.

In the event of an audit, pharmacy providers will be required to provide documentation of the emergency situation that led them to specify "emergency supply" on a claim. Please see section 24 of the *IHCP Provider Agreement* and *Indiana Administrative Code 405 IAC 1-5-1* for information regarding records that providers must retain to fully disclose and document the extent of services provided to IHCP members. How providers retain documentation records is up to the individual provider. Regardless, documentation must be in a format that clearly conveys to an auditor the basis for the provider's determination that an emergency situation warranted dispensing an emergency supply of a drug.

As a practical matter, the IHCP presumes that emergency situations rarely arise at retail pharmacy locations and anticipates that use of the emergency supply specification on claims would be fairly limited (for example, not used



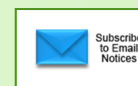
repeatedly for the same prescription for the same patient). Such practices by the provider will be closely scrutinized during an audit. Compliance with the IHCP emergency supply policy will be an ongoing focus of pharmacy audits. Identified instances of inappropriate use of emergency supply provisions will result in recoupment of funds for affected claims, as well as possible imposition of sanctions against the provider, as set forth in *Indiana Code 12-15-22-1*.

For more information

Questions regarding the IHCP emergency supply policy should be directed to the Catamaran Clinical and Technical Help Desk by calling toll-free 1-855-577-6317.

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