



PROVIDER BULLETIN

BT200119

MAY 15, 2001

To: All Indiana Health Coverage Programs Pharmacy Providers and Prescribing Physicians

Subject: Updated Over-the-Counter Drug Formulary

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

Overview

This bulletin is to notify all pharmacy providers, prescribing physicians, and healthcare workers of changes and updates to the Indiana Health Coverage Program's (IHCP) Over-the-Counter (OTC) Drug Formulary. Tables 1.1 lists the products covered in the OTC Drug Formulary and the revised maximum allowable charge (MAC) rates for each of the products. The MAC rates listed in this table is effective **July 1, 2001**.

The OTC Drug Formulary only applies to select OTC drugs prescribed to non-risk based managed care members. The OTC Drug Formulary does not pertain to members of the Hoosier Healthwise Package C Program. Non-drug, medical supply items coverage remains unchanged. The information in this bulletin should be incorporated into *Chapter 9, Appendix D* of the *Indiana Health Coverage Programs Provider Manual*.

Purpose of the OTC Drug Formulary

The OTC Drug Formulary lists covered services that have been reviewed and approved by the Indiana Medicaid DUR Board. The formulary of approved OTC drugs is structured to allow use of medically necessary OTC drugs, while not encouraging prescribing or dispensing more expensive legend drugs.

Principles Regarding the Use of the OTC Drug Formulary

The OTC Drug Formulary does not affect the coverage status of items such as diabetic reagent strips, sterile dressings, catheters and related supplies, nutritional supplements, and so forth.

Only OTC Drug Formulary products supplied by manufactures participating in the Drug Rebate Program are covered. Reimbursement is not available for OTC Drug Formulary products from non-rebating manufacturers. The following provides key information about the OTC Drug Formulary:

- The OTC Drug Formulary is product, strength, and dosage form specific to the extent noted in the OTC Drug Formulary. For example, if a product is listed on the OTC Drug Formulary only as a 10mg tablet, and other strengths exist, only the 10mg tablet is reimbursable.
- Insulin is not listed on the OTC Drug Formulary; however, the IHCP covers it.
- Reimbursement for covered OTC Drug Formulary products is the lower of 150 percent of an item's MAC rate or the provider's submitted usual and customary charge (UCC). Pharmacy providers must always submit their UCC for dispensed items.
- The State-assigned OTC MAC rate is not suspended (overridden) by a prescriber's indication of "brand medically necessary". When a prescriber indicates "brand medically necessary" for a covered OTC Drug Formulary product, the assigned MAC rate applies.
- Product categories corresponding to individual OTC Drug Formulary items are identified using First DataBank's (FDB's) classification system. The items are described in the formulary accurately and comprehensively. If there is a question about whether an OTC drug is covered by the formulary, contact the EDS Pharmacy Services POS/ProDUR Help Desk at 1-877-877-5182. The Help Desk is available from 7:30 a.m. to 6 p.m. EST (Indianapolis local time), Monday through Friday, except holidays. This number is available to providers in Indiana, Michigan, Ohio, Kentucky, and Illinois.

Providers Billing Electronic Claims

Pharmacy claims submitted electronically or through point-of-sale (POS) for products prescribed or dispensed that are not included on the OTC Drug Formulary, will be denied.

For questions about the coverage of specific OTC drug products, contact the EDS Pharmacy Services POS/ProDUR Help Desk at 1-877-877-5182.

Providers Billing Paper Claims

Pharmacy providers submitting paper claims, including the Compound Drug Claim Form, for an OTC drug product should contact the POS/ProDUR Help Desk to confirm coverage status before submitting claims.

Failure to verify whether products are included in the OTC Drug Formulary with EDS POS/ProDUR Help Desk, places the pharmacy provider at risk of claim denial. Do not dispense OTC products that have a questionable coverage status.

Verify member eligibility before dispensing products. This OTC Drug Formulary does not apply to members enrolled in the RBMC delivery system or the Hoosier Healthwise Package C program. The only way to ensure a member is eligible for services is to use one of the eligibility verification systems (EVS) or the POS system. See *Chapter 3* of the *IHCP Provider Manual* for detailed information about the EVS options, Provider Electronic Solutions, automated voice-response (AVR), and the OMNI swipe card system.

Note: When contacting the EDS POS/ProDUR Help Desk, have the NDC/UPC/HRI code of the OTC drug product ready to give to the EDS POS/ProDUR Help Desk staff member. The EDS staff will check the code against the product file to determine coverage status for the product.

Suggestions to the OTC Drug Formulary

The OTC Drug Formulary is structured to allow use of medically necessary OTC drugs, while not encouraging prescribing or dispensing more expensive legend drugs. Therefore, EDS encourages providers to submit suggestion for products to be included in the OTC Drug Formulary. Suggestions should be submitted in writing to the following address:

**Indiana Medicaid DUR Board
Room W-382
Indiana State Government Center South
402 W. Washington St.
Indianapolis, IN 46204**

The DUR Board will review comments and suggestions for the formulary in quarterly meetings. DUR Board recommendations for modifications to the formulary are then forwarded to the IHCP administrative staff.

If there are any questions about this bulletin, please contact EDS Customer Assistance at (317) 655-3240 in the Indianapolis area or 1-800-577-1278.

Table 1.1 – State of Indiana Over-the-Counter Drug Formulary

State of Indiana Over-the-Counter (OTC) Drug Formulary Effective November 1, 1996 (Revised July 1, 2001)			
Class	Drug/Dosage	MAC Rate	Effective
Analgesics	Acetaminophen		
	325mg Tablet, Caplet, or Capsule	\$0.01800/ea	7/1/01
	500mg Tablet, Caplet, or Capsule	\$0.03888/ea	7/1/01
	160mg/5ml Elixir	\$0.01575/ea	7/1/01
	100mg/ml Drops	\$0.11673/ea	7/1/01
	650mg Suppository	\$0.37350/ea	7/1/01
	325mg Suppository	\$0.29160/ea	7/1/01
	120mg Suppository	\$0.34803/ea	7/1/01
	Aspirin		
	81mg Tablet Chewable	\$0.02399/ea	7/1/01
	325mg Tablet	\$0.01215/ea	7/1/01
	81mg Tablet EC	\$0.01940/ea	7/1/01
	325mg Tablet EC	\$0.01791/ea	7/1/01
	Aspirin/Buffers		
	Buffered 5 grains	\$0.02169/ea	7/1/01
	Ibuprofen		
	200mg Tablet	\$0.03915/ea	7/1/01
	Naproxen		
	200mg	\$0.12348/ea	7/1/01
	Antacids	Calcium Carbonate	
500mg Tablet Chewable/Non-chewable		\$0.01841/ea	7/1/01
750mg Tablet Chewable/Non-chewable		\$0.02343/ea	7/1/01
Calcium Carbonate Liquid 1.25gm/5ml		\$0.01800/ml	7/1/01
Sodium Bicarbonate			
325mg Tablet		\$0.00765/ea	7/1/01
650mg Tablet		\$0.01128/ea	7/1/01
Aluminum Hydroxide			
Gel ***		\$0.00765/ml	7/1/01
Gel Concentrate ****		\$0.00774/ml	7/1/01

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Class	Drug/Dosage	MAC Rate	Effective
Antacids	MAG Carbonate/AL Hydrox/AA *	\$0.00668/ml	7/1/01
	MAG Hydrox/AL Hydrox/Simeth *	\$0.00585/ml	7/1/01
	MAG Hydrox/AL Hydrox/Simeth EX **	\$0.00702/ml	7/1/01
	Magnesium Hydroxide/AL Hydrox *	\$0.00522/ml	7/1/01
	<p>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 400mg or less per 5ml. **** – Extra strength is considered to be any strength of aluminum hydroxide of 400mg or more per 5ml.</p>		
Anti-Hemorrhoidals	Hemorrhoidal Preparation Suppository	\$0.25215/ea	7/01/01
	Hemorrhoidal Preparation Ointment	\$0.03749/gm	7/01/01
Capsaicin	Capsaicin Cream 0.025%	\$0.32999/gm	7/01/01
	Capsaicin Cream 0.050%	\$0.53580/gm	7/01/01
Cough and Cold Products	Chlorpheniramine Maleate		
	4mg Tablet	\$0.00927/ea	7/01/01
	2mg/5ml Syrup	\$0.00374/ml	7/01/01
	Diphenhydramine HCL		
	25mg Capsule/Caplet/Tablet**	\$0.01521/ea	7/01/01
	Elixir	\$0.01087/ml	7/01/01
	12.5mg/5ml Syrup	\$0.00549/ml	7/01/01
	Guaifenesin		
	100mg/5ml Syrup	\$0.01242/ml	7/01/01
Guaifenesin/D-Methorphan	\$0.01665/ml	7/01/01	

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Class	Drug/Dosage	MAC Rate	Effective
Cough and Cold Products	Pseudoephedrine HCL		
	30mg Tablet	\$0.02835/ea	7/01/01
	7.5mg/0.8ml Drops	\$0.21540/ml	7/01/01
	30mg/5ml Liquid	\$0.01252/ml	7/01/01
Cough and Cold Products	Note: * – Products marketed as sleep aids are not covered ** – Products subject to Federal Upper Limits (FUL); State OTC MAC rate is the same as the FUL rate.		
Enzymes	Lactase Enzymes	\$0.07295/ea	7/01/01
Laxatives	Docusate Sodium		
	150mg/15ml Liquid	\$0.01950/ml	7/01/01
	60mg/15ml Syrup	\$0.00653/ml	7/01/01
	50mg Cap	\$0.03452/ml	7/01/01
	100mg Cap	\$0.02322/ea	7/01/01
	100mg Tab	\$0.02322/ea	7/01/01
	Docusate Calcium 240mg Capsule	\$0.06089/ea	7/01/01
	Senna		
	Tablets	\$0.07022/ea	7/01/01
	Syrup	\$0.06555/ml	7/01/01
	Granules	\$0.10623/gm	7/01/01
	Bisacodyl		
	5mg Tablet EC	\$0.02250/ea	7/01/01
	Suppository	\$0.114967/ea	7/01/01
	Casanthranol/Docusate Sodium		
	30/100 Capsule	\$0.03222/ea	7/01/01
	Syrup	\$0.03222/ml	7/01/01
	Milk of Magnesia Suspension	\$0.00522/ml	7/01/01
	Psyllium mucilloid powder		
	All strengths	\$0.01593/gm	7/01/01

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Class	Drug/Dosage	MAC Rate	Effective
Laxatives	Psyllium mucilloid, effervescent powder		
	All strengths	\$0.18900/gm	7/01/01
	Sodium Phosphate/NA Biphos		
	Enema; Adult/Pediatric	\$0.00657/ml	7/01/01
	Therevac-SB		
	Docusate Na 238mg/PEG/Glycerin 275mg/4ml	\$1.24687/ea	7/01/01
Miconazole Vaginal Products	Miconazole Nitrate	\$0.17100/gm	7/01/01
	Suppository	\$1.22215/ea	7/01/01
Ophthalmic Products	Artificial tears ophthalmic solution	\$0.20403/ml	7/01/01
	Artificial tears ophthalmic solution, preservative free	\$0.26568/ml	7/01/01
	Artificial tears ophthalmic ointment	\$0.93213/gm	7/01/01
	Artificial tears ophthalmic ointment, preservative free	\$1.44000/gm	7/01/01
Simethicone	Simethicone		
	40mg/0.6ml Drops	\$0.14999/ml	7/01/01
Topical Antibacterial	Bacitracin		
	500U/gm Ointment	\$0.04527/gm	7/01/01
	Bacitracin/Polymyxin B Sulfate		
	Ointment	\$0.12689/gm	7/01/01
	Topical Powder	\$0.80730/gm	7/01/01
	Triple Antibiotic Bacitracin/Polymyxin B/Neomycin	\$0.09684/gm	7/01/01
	Neomycin Sulfate/Polymyxin B Sulfate	\$0.08190/gm	7/01/01
	Neomycin Sulfate		
	0.5% Ointment	\$0.05670/gm	7/01/01
	Neomycin Sulfate/HC		
1% Ointment	\$0.01044/gm	7/01/01	

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Class	Drug/Dosage	MAC Rate	Effective
H2 Antagonists	Cimetidine		
	200mg Tablet	\$0.361440/ea	7/01/01
	Famotidine		
	10mg Tablet	\$0.271518/ea	7/01/01
	Nizatidine		
	75mg Tablet	\$0.37328/ea	7/01/01
Glucose	Ranitidine		
	75mg Tablet	\$0.295200/ea	7/01/01
	Glucose Tablets, 25 gm	\$0.11700/ea	7/01/01
	Gel (40% Dextrose) 25 gm	\$0.03161/gm	7/01/01

The products listed on Table 1.2 are covered services that apply only to vitamins and mineral supplements prescribed to non-Risk Based Managed Care members. In addition, Table 1.2 does not pertain to members of the Hoosier Healthwise Package C program.

Table 1.2 – State of Indiana Over-the-Counter Vitamin and Mineral Supplement List

State of Indiana Vitamin and Mineral Supplement List Effective June 30, 2001			
Class	Product/Strength	MAC Rate	Effective
Calcium Supplements	Calcium Carbonate/Vitamin D		
	Calcium Carbonate 1.25gm Tablet (500mg Elemental Calcium)	\$0.04959/ea	7/01/01
	Calcium Citrate 950mg Tablet	\$0.05774/ea	7/01/01
Iron Supplements	Calcium Citrate 950mg Tablet		
	150mg	\$0.04950/ea	7/01/01
Iron Supplements	Polysaccharide Iron		
	150mg	\$0.17055/ea	7/01/01
	Ferrous Sulfate		
	220mg/5ml Elixir	\$0.00909/ml	7/01/01
	325mg Tablet	\$0.01746/ea	7/01/01
	325mg Tab EC	\$0.01746/ea	7/01/01
	150mg Extended Release Tablet	\$0.16397/ml	7/01/01
	75mg/0.6ml Drops	\$0.05112/ml	7/01/01

Table 1.2 – State of Indiana Over-the-Counter Vitamin and Mineral Supplement List

State of Indiana Vitamin and Mineral Supplement List Effective June 30, 2001			
Class	Product/Strength	MAC Rate	Effective
Vitamins	Vitamin B Complex with/without Minerals Liquid	\$0.01044/ml	7/01/01
	Ascorbic Acid		
	1000mg Tablet	\$0.04455/ea	7/01/01
	250mg Tablet	\$0.01620/ea	7/01/01
	500mg Tablet	\$0.02331/ea	7/01/01
	1500mg Caplet SA	\$0.07844/ea	7/01/01
	Powder	\$0.03713/gm	7/01/01
	Granular	\$0.06793/gm	7/01/01
	Liquid	\$0.02437/ml	7/01/01
	500mg/5ml Syrup	\$0.02662/ml	7/01/01
	Pyridoxine HCL		
	100mg Tablet	\$0.02475/ea	7/01/01
	25 mg Tablet	\$0.02061/ea	7/01/01
	250mg Tablet	\$0.06750/ea	7/01/01
	50mg Tablet	\$0.01791/ea	7/01/01
	500mg Tablet	\$0.10143/ea	7/01/01
	Riboflavin		
	100mg Tablet	\$0.03434/ea	7/01/01
	50mg Tablet	\$0.02583/ea	7/01/01
	Thiamine		
	100mg Tablet	\$0.01971/ea	7/01/01
	250mg Tablet	\$0.04637/ea	7/01/01
	50mg Tablet	\$0.01350/ea	7/01/01
	Vitamin E		
	100 IU Capsule	\$0.02952/ea	7/01/01
	200 IU Capsule	\$0.03690/ea	7/01/01
	400 IU Capsule	\$0.04752/ea	7/01/01

Table 1.2 – State of Indiana Over-the-Counter Vitamin and Mineral Supplement List

State of Indiana Vitamin and Mineral Supplement List Effective June 30, 2001			
Class	Product/Strength	MAC Rate	Effective
Multivitamins	Multivitamins with/without Iron, Other Minerals		
	Liquid	\$0.01044/ml	7/01/01
	Tablet	\$0.03510/ea	7/01/01
	Capsule	\$0.03510/ea	7/01/01
Pediatric Vitamins	Multivitamins with/without Iron, Other Minerals		
	Tablet	\$0.03411/ea	7/01/01
	Liquid	\$0.06804/ml	7/01/01
Niacin	Niacin		
	100mg Tablet	\$0.01350/ea	7/01/01
	250mg Tablet	\$0.01962/ea	7/01/01
	50mg Tablet	\$0.01071/ea	7/01/01
	500mg Tablet	\$0.03870/ea	7/01/01
Zinc Replacements	Zinc		
	Lozenges	\$0.05529/ea	7/01/01
	220mg Capsule	\$0.04995/ea	7/01/01
	200mg Tablet	\$0.00599/ea	7/01/01
Dialysis Supplements	Vitamins and Minerals for Dialysis		
	Calcium Carbonate Liquid 1.25gm/5ml	\$0.01800/ml	7/01/01
	Ferrous Sulfate Drops 75mg/0.6ml	\$0.05112/ml	7/01/01