

# Montana Medicaid Pharmacy Program – Indian Health Service (IHS)/ Tribal 638 Pharmacies

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# Overview of Montana Medicaid Pharmacy Program

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The Prescription Drug Program covers pharmaceuticals and limited pharmacist services, such as vaccine administration, to members served by the Department in the Montana Healthcare Programs.

Currently, there are 428 pharmacies enrolled in Montana Medicaid.

Drug coverage is limited to those products where the pharmaceutical manufacturer has signed a rebate agreement with the federal government. Federal regulations further allow states to impose restrictions on payment of prescription drugs through prior authorization and preferred drug lists (PDL).

# What is Point of Sale (POS) billing?

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The point-of-sale (POS) system finalizes claims at the point of entry as either paid or denied. Pharmacies arrange their own telecommunications switch services to accept Montana Medicaid point-of-sale and are responsible for any charges imposed by these vendors.

The POS system reviews any new incoming claim against claim history to ensure safe and accurate dispensing occurs (i.e. early refill, therapeutic duplication, etc.)

Claims are done in real time and are reviewed in seconds and sent back to the pharmacy with clinical information, coverage information, and payment information.

Payer Sheet Information can be found on our provider webpage at <http://medicaidprovider.mt.gov/19#187402964-other-resources>.  
Montana Medicaid utilizes NCPDP Telecommunication Standard Version D.Ø.

# Montana Medicaid Pharmacy Program

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By utilizing POS billing, it processes claims at the time of transaction to improve outcomes, such as:

- ❖ Real time adjudication information
- ❖ Eligibility status of the member
- ❖ Adverse drug interactions
- ❖ Clinical overuse
- ❖ Duplicate therapy
- ❖ Medication status
  - Covered
  - Not Covered – May need prior authorization to be covered

POS billing also provides opportunities for pharmacies to receive payments from other resources, if contracted, such as Blue Cross Blue Shield of Montana, Medicare Part D, Express Scripts, etc.

# Preferred Drug List (PDL)

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The Department of Public Health and Human Services uses this program to provide clinically effective and safe drugs to its members at the best available price.

The PDL addresses certain classes of medications and provides a selection of therapeutically effective products for which the Medicaid program will allow payment without restriction in those targeted classes. The Department, through its Formulary Committee, designates this listing of preferred drugs as “preferred” based primarily on clinical efficacy. In the designated classes, drug products that are non-preferred on the PDL will require prior authorization.

The Department updates the PDL annually, and periodically, as new drugs and information become available.

# Preferred Drug List (PDL) and IHS/Tribal 638 Pharmacies

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- ❖ IHS/Tribal 638 pharmacies are exempt from following the Preferred Drug List (PDL).
  - However, this exemption does not apply to drugs that the Department has required clinical criteria on. (i.e. Suboxone, Hepatitis C Treatment, Inhaled Antibiotics).
  - For additional information on which classes require clinical criteria, you can access the PDL at <http://medicaidprovider.mt.gov/19#187402960-preferred-drug-information>.
  
- ❖ All prescriptions billed under the pharmacy benefit must be rebateable, in order to receive reimbursement by Montana Medicaid.

# Other IHS Exemptions

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## ❖ No Pharmacy Copayment

- Members who show as Native American or have a tribal affiliation in the eligibility system, will not have a copayment assessed at any pharmacy.
- Prescriptions dispensed at an IHS/Tribal 638 pharmacy are not assessed a copayment.

## ❖ IHS/Tribal 638 pharmacies are not subject to the annual dispensing fee survey. They receive the highest allowed dispensing fee of \$14.55.

# IHS/Tribal 638 Pharmacy Reimbursement

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- ❖ IHS/Tribal 638 pharmacies receive reimbursement for the medication under the pharmacy benefit, along with the assigned dispensing of \$14.55.
  - Reimbursement for covered brand and generic preferred drugs shall not exceed the lowest of:
    1. The provider's usual and customary charge of the drug to the general public; or
    2. The allowed ingredient cost plus a professional dispensing fee. Where allowed ingredient cost is defined as the lower of:
      - a. The Average Acquisition Cost (AAC); or
      - b. Submitted ingredient cost.
    - c. If an AAC rate is not available, drug reimbursement is determined at the lower of:
      - 1) Wholesale Acquisition Cost (WAC) minus 2.99%;
      - 2) Affordable Care Act Federal Upper Limit (ACA FUL); or
      - 3) Submitted ingredient cost
- ❖ IHS/Tribal 638 pharmacies also receive an encounter reimbursement at the current all-inclusive rate (one encounter, per member, per day).
  - ❖ Payment for the encounter is calculated by the department every month and not through a claims submittal process.



# Team Care and Drug Not Covered

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## ❖ Pharmacy Case Management

- This program identifies members who are high utilizers, or who utilize multiple pharmacies and/or prescribers. Those identified members are then referred for Team Care and/or a Drug Not Covered.

## ❖ Team Care

- Members are locked into one pharmacy and one provider. These providers may be chosen by the member, and can be an IHS/Tribal 638 pharmacy, but the Department reviews and approves if the selected providers are appropriate.

## ❖ Drug Not Covered

- When a member is subject to a drug not covered, only one prescriber is able to write prescriptions for a select group of medications. Therefore, if a prescription is written for that select group of medications, a prior authorization must be obtained prior to the medication being dispensed.

# Montana Medicaid Staff Contact Information

Montana Medicaid Pharmacy & Team Care Program Staff	
Shannon Sexauer – Medicaid Pharmacist	Phone: 406-444-5951 Email: shannon.sexauer@mt.gov
Dani Feist – Pharmacy Program Officer	Phone: 406-444-2738 Email: dfeist@mt.gov
Dan Peterson – Allied Health Services Bureau Chief	Phone: 406-444-4414 Email: danpeterson@mt.gov
Amber Sark – Team Care Program Officer	Phone: 406-444-0991 Email: asark@mt.gov

# Montana Medicaid Affiliate Contact Information

Provider & Member Helpline Contact Information	
Pharmacy Unlock and Eligibility Questions - Conduent	Phone Number: 800-624-3958
Member Helpline – Conduent	Phone Number: 800-362-8312
Drug Prior Authorization Unit – Mountain Pacific Quality Health	Phone Number: 800-395-7961 / 406-443-6002  Fax Number: 800-294-1350 / 406-513-1928