

PROVIDER BULLETIN

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Providers Billing Pharmacy Claims

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APIs and Excipients

Effective September 1, 2017, the MO HealthNet Division (MHD) will no longer pay for active APIs and excipients. An API is defined by 21 C.F.R. § 207.3(a)(4) as a bulk drug substance that “is represented for use in a drug and that, when used in the manufacturing, processing, or packaging of a drug, becomes an active ingredient or a finished dosage form of the drug.” An excipient is an inactive substance that forms a vehicle for the active ingredient in compounding.

If a prescriber feels a compounded medication including APIs and excipients is medically necessary, a Prior Authorization (PA) request may be submitted. The MHD will consider requests for PA of APIs and excipients on an individual participant basis and evaluate for medical necessity. Requests should be submitted on a Compound Prior Authorization form which can be found on our website under [MO HealthNet Forms](#). Requests may be initiated by either the pharmacy or prescriber staff.

The PAs submitted with insufficient information will not be reviewed and will be returned for additional information.

NOTE: The MHD will no longer reimburse for pain creams compounded with APIs and excipients or hormone replacement creams.

Billing Compounds

eMOMED and Point of Sale (POS) claim submissions allow compound claims with up to 25 ingredients. Although billed as one claim, the multiple ingredients of a compound appear as separate lines on the Remittance Advice (RA) and have a common prescription number. The first ingredient billed via POS is assigned a compound indicator of “1” (Internet claims have an indicator of “0”) and has a copay and dispensing fee applied. All remaining ingredients are assigned a compound indicator of “2” and do *not* have a copay or dispensing fee applied.

POS compound claims billed with 4 or fewer ingredients are adjudicated on-line. Compounds billed with 5 or more ingredients are *not* processed in real time, but are captured/suspended and processed in batch. Providers can log into [eMOMED](#) to determine if all ingredients in a compound have paid or denied.

If a compound is submitted to the MHD via POS and one of the ingredients is *not* payable, the entire claim is automatically reversed. Then it is the pharmacy's option to resubmit the claim with all National Drug Codes (NDC) (both payable and non-payable) with a Submission Clarification Code value of "08" in field 420-DK, the MHD will process the claim for those ingredients that are covered.

NOTE: All active ingredients of a compound **MUST** be submitted to the MHD regardless of reimbursement.

Non-Rebate Eligible Products

Effective September 1, 2017, the MHD Pharmacy Program will no longer cover radiopharmaceuticals, diagnostic agents, anti-arthritis knee injections, and ophthalmic viscoelastic devices. These products do not meet the definition of an outpatient covered drug and are not eligible for federal rebate; therefore these products will no longer be covered by the MHD Pharmacy Program.

Claims Integrity

It is the responsibility of each provider to ensure the accuracy of all data transmitted on claims submitted to the MHD, regardless of the method utilized. As provided in 13 CSR 70.3.030, sanctions may be imposed by the MHD against a provider for failure to take reasonable measures to review claims for accuracy. Billing errors, including but not limited to, incorrect ingredient indicators, quantities, days supply, prescriber identification, dates of service, and usual and customary charges, caused or committed by the provider, or their employees, are subject to adjustment or recoupment. This includes, but is not limited to, failure to review RAs provided for claims resulting in payments that do not correspond to the actual services rendered. Ongoing, overt or intentionally misleading claims may be grounds for allegations of fraud and will be appropriately pursued by the agency.

Provider Bulletins are available on the MO HealthNet Division (MHD) (Formerly the Division of Medical Services) Web site at <http://dss.mo.gov/mhd/providers/pages/bulletins.htm>. Bulletins will remain on the Provider Bulletins page only until incorporated into the [provider manuals](#) as appropriate, then moved to the Archived Bulletin page.

MO HealthNet News: Providers and other interested parties are urged to go to the MHD Web site at <http://dss.mo.gov/mhd/> to subscribe to the electronic mailing list to receive automatic notifications of provider bulletins, provider manual updates, and other official MO HealthNet communications via E-mail.

The information contained in this bulletin applies to coverage for:

- MO HealthNet Fee-for-Service
- Managed Care Services

Questions regarding MO HealthNet Managed Care benefits should be directed to the patient's MO HealthNet Managed Care health plan. Before delivering a service, please check the patient's eligibility status by swiping the MO HealthNet card or by calling the Provider Communications Interactive Voice Response (IVR) System at 573-751-2896 and using Option One for the red or white card.

**Provider Communications Hotline
573-751-2896**