Medi-Cal Rx Monthly Bulletin

December 1, 2023

The monthly bulletin consists of alerts and notices posted to the Bulletin & News page on the Medi-Cal Rx Web Portal. Sign up for the Medi-Cal Rx Subscription Service to be notified when new information is posted.

1. Changes to the Medi-Cal Rx Contract Drugs List

The below changes have been made to the *Medi-Cal Rx Contract Drugs List* posted to the Medi-Cal Rx Web Portal, effective December 1, 2023.

Drug Name	Description	Effective Date
Aprepitant	Diagnosis restriction removed from 40 mg capsules.	December 1, 2023
Atomoxetine HCL	Diagnosis restriction removed.	December 1, 2023
Buprenorphine	Diagnosis restriction removed from sublingual tablets and transdermal patch. Quantity limit restriction updated for transdermal patch.	December 1, 2023
Buprenorphine/Naloxone	Diagnosis restriction removed from sublingual tablets and sublingual films.	December 1, 2023
Clonidine HCL	Diagnosis restriction removed from 12-hour tablets.	December 1, 2023
Dornase Alfa	Diagnosis restriction removed.	December 1, 2023
Entecavir	Diagnosis restriction removed.	December 1, 2023
Flurazepam	Diagnosis restriction removed.	December 1, 2023
Ganciclovir	Diagnosis restriction removed from ophthalmic gel.	December 1, 2023
Glucagon (synthetic)	Effective January 1, 2024: Prefilled auto-injector, syringe, and single-dose vial/syringe kit end-dated.	December 1, 2023
Guanfacine	Diagnosis restriction removed from extended-release tablets.	December 1, 2023
Lidocaine	Additional dosage form (patches) added to CDL.	December 1, 2023
Momelotinib	Added to CDL with labeler restriction.	December 1, 2023
Paliperidone	Added to CDL.	December 1, 2023
Peginterferon Alfa-2A	Diagnosis restriction removed.	December 1, 2023
Polatuzumab Vedotin-Piiq	Additional strength (30 mg) added to CDL with labeler restriction.	December 1, 2023
Posaconazole	Additional formulation (delayed-release tablets) added to the CDL.	December 1, 2023
Ramelteon	Diagnosis and quantity limit restrictions removed.	December 1, 2023
Ribavirin	Diagnosis restriction removed.	December 1, 2023
Riluzole	Diagnosis restriction removed.	December 1, 2023
Temazepam	Diagnosis restriction removed.	December 1, 2023

Drug Name	Description	Effective Date
Tiagabine HCL	Diagnosis restriction removed.	December 1, 2023
Vaccines	Updated with age restriction.	December 1, 2023
Voriconazole	Additional formulation (tablets) added to CDL.	December 1, 2023
Zolpidem Tartrate	Diagnosis restriction removed.	December 1, 2023

2. Updates to the Medi-Cal Rx Provider Manual

The updates/additions below have been made to the *Medi-Cal Rx Provider Manual* version 13.0.

Updates

Section	Update Description	Effective Date
Section 2.1.4 – Provider Guidelines: Billing Compliance	• Added language, "Pursuant to *California Code of Regulations* (CCR), Title 22, Section 51172, if a prescription has not been received by the member or the member's representative within 15 days of the fill date, the pharmacy must reverse the claim and refund the payment to DHCS."	December 1, 2023
Section 2.1.4.1 – Medi-Cal Provider Fraud, Waste and Abuse	• Updated contact information for the avenues of communicating compliance concerns and suspected FWA to Medi-Cal Rx.	December 1, 2023
Section 3.6 – Medi-Cal Rx Web Portal	• Updated title of a list to read, "*List of Contracted Self-Monitoring Blood Glucose Systems (Glucometers), Control Solutions, and Lancing Devices.*" • Updated title of a list to read, "*List of Contracted Pen Needles.*"	December 1, 2023
Section 3.6.1.1 – Unsecured Provider Portal	• Updated title of a list to read, "*Contracted Self-Monitoring Blood Glucose Systems (Glucometers), Control Solutions, and Lancing Devices.*" • Updated title of a list to read, "*Contracted Pen Needles.*"	December 1, 2023

Section	Update Description	Effective Date
Section 4.2.1 – Supported Transaction Types	• Added language to the Claim Reversal bullet, "Pursuant to *California Code of Regulations* (CCR), Title 22, Section 51172, if a prescription has not been received by the member or the member's representative within 15 days of the fill date, the pharmacy must reverse the claim and refund the payment to DHCS."	December 1, 2023
Section 13.2 – Diabetic Supplies – Self-Monitoring Blood Glucose Systems (Glucometers), Control Solutions, and Lancing Devices	• Updated title of a list to read, *"Contracted Self-Monitoring Blood Glucose Systems (Glucometers), Control Solutions, and Lancing Devices."*	December 1, 2023
Section 13.3 – Diabetic Supplies – Disposable Insulin Delivery Devices	• Removed the word "calibrated" in the bullet of documented frequency of regular use of a CGM system.	December 1, 2023
Section 13.4 – Diabetic Supplies – Continuous Glucose Monitoring (CGM) Systems	• Added language regarding CGM prior authorization (PA) request bundling.	December 1, 2023
Section 17.5 – Commercial COVID-19 Vaccines	• Added language that the commercial COVID-19 vaccines are a covered Medi-Cal Rx benefit for members 3 years of age and older.	December 1, 2023

3. Deactivation of Override Code "55555" for Select Drugs/Products – Medi-Cal Rx Program Integrity Update

Background

Medi-Cal Rx is committed to identifying and responding swiftly to suspected fraud, waste, and abuse (FWA). The Medi-Cal Rx Program Integrity/Special Investigations Unit (PI/SIU) identifies and assesses pharmacy related FWA risks on an ongoing basis.

In an effort to reduce FWA, Medi-Cal Rx implemented the following program integrity update on November 17, 2023:

- Deactivation of override code "55555" for specific First DataBank (FDB) Generic Sequence Number (GSN) categories and NDC-specific drugs/products.

What Pharmacy Providers and Prescribers Need to Know

On November 4, 2022, Medi-Cal Rx published an alert titled *Prior Authorization Required: Reject Code 75 Reminder* regarding the use of the "55555" override code. Effective November 17, 2023, this override code is no longer accepted for drugs/products under specific GSN categories or NDC-specific drugs.

What Pharmacy Providers and Prescribers Need to Do

The "55555" override code is no longer accepted for drugs/products that fall within the specific GSN category or for the standard therapeutic classes' (STC) NDC-specific drugs/products identified in the following tables. As a result, the claim will be subject to Medi-Cal Rx policies.

GSN Categories			
STC	STC Description	GSN	Label Name
01	Anti-Ulcer Preps/ Gastrointestinal Preps	060473	Omeprazole-Bicarb 20-1,680 packet
01	Anti-Ulcer Preps/ Gastrointestinal Preps	060473	Zegerid 20 mg packet
01	Anti-Ulcer Preps/ Gastrointestinal Preps	060474	Omeprazole-Bicarb 40-1,680 packet
01	Anti-Ulcer Preps/ Gastrointestinal Preps	060474	Zegerid 40 mg packet
08	Muscle Relaxants	004312	Norgesic Forte 50-770-60 mg tablet
08	Muscle Relaxants	004312	Orphengesic Forte 50-770-60 mg
27	Other Antibiotics	080360	Amzeeq 4% foam
27	Other Antibiotics	081111	Zilxi 1.5% foam
41	Non-Opioid Analgesics	024195	Diclofenac Pot 25 mg tablet
41	Non-Opioid Analgesics	024195	Lofena 25 mg tablet
41	Non-Opioid Analgesics	065429	Diclofenac Potassium 25 mg capsule
41	Non-Opioid Analgesics	065429	Zipsor 25 mg capsule
42	Antiarthritics	062176	Diclofenac Epolamine 1.3% patch
42	Antiarthritics	062176	Flector 1.3% patch
42	Antiarthritics	066328	Naproxen-Esomepraz Dr 500-20 mg
42	Antiarthritics	066328	Vimovo Dr 500-20 mg tablet
42	Antiarthritics	066329	Naproxen-Esomepraz Dr 375-20 mg
42	Antiarthritics	066329	Vimovo Dr 375-20 mg tablet

GSN Categories			
STC	STC Description	GSN	Label Name
42	Antiarthritics	071910	Diclofenac 2% solution pump
42	Antiarthritics	071910	Pennsaid 2% pump
42	Antiarthritics	075207	Meloxicam 5 mg capsule
42	Antiarthritics	075208	Meloxicam 10 mg capsule
42	Antiarthritics	079402	Licart 1.3% patch
42	Antiarthritics	008340	Indocin 50 mg suppository
45	Anesthetic Local Topical	073512	Synoflex 4%-5% patch
45	Anesthetic Local Topical	075074	Lidotral 3.88% cream
45	Anesthetic Local Topical	082619	Dermacinrx Lidogel 2.8% gel
45	Anesthetic Local Topical	082619	Dermacinrx Lidorex 2.8% gel
51	Glucocorticoids	007630	Diflorasone 0.05% ointment
81	Water Soluble Vitamins	084000	Dermacinrx Davimet chew tablet
82	Multivitamins	081499	Folamax tablet
82	Multivitamins	081499	Profola tablet
82	Multivitamins	081649	Dermacinrx Prenatrix caplet
82	Multivitamins	081649	Dermacinrx Prenatryl caplet
82	Multivitamins	081649	Dermacinrx Pretrate caplet
82	Multivitamins	081683	Dermacinrx Multitam caplet
82	Multivitamins	081683	Vitrexyl caplet
83	Folic Acid Preparations	079990	Folite tablet
94	Antifungals	072429	Jublia 10% topical solution
94	Antifungals	007375	Oxiconazole Nitrate 1% cream

NDC-Specific Drugs			
STC	STC Description	NDC	Label Name
21	Tetracyclines	16110050101	Doxycycline Hyclate 75 mg tablet
21	Tetracyclines	51862069506	Doxycycline Hyclate 75 mg tablet
40	Opioid Analgesics	72245068310	Prolate 10-300 mg tablet
45	Anesthetic Local Topical	59088043005	Lidocort 3-0.5% cream

Resources

Pharmacy providers are encouraged to review the following:

- Medi-Cal Rx billing guidelines in the *Medi-Cal Rx Billing Tips*
- *Appendix D* in the *Medi-Cal Rx Provider Manual*
- *Reminder: Establishing Medical Necessity*

4. Reminder: Reject Code 76 Point-of-Sale Messaging

Background

The purpose of this alert is to remind pharmacy providers to review the point-of-sale (POS) reject code messaging for allowable quantity limits (QL) for claims that deny with **Reject Code 76 – Plan Limitations Exceeded**.

What Pharmacy Providers Need to Know

On October 13, 2023, Reject Code 76 was reinstated as part of Phase IV, Lift III (P4/L3) for new start claims for all ages and refill claims for members 22 years of age and older. Reject Code 76 messaging informs providers of quantity limitations for maximum days' supply and quantity days' supply.

What Pharmacy Providers Need to Do

When a claim rejects with Reject Code 76, providers should:

- Review reject messaging for QL for maximum days' supply and quantity per day.
- Resubmit the claim to meet the QL restriction.
- Submit a prior authorization (PA) request if the established quantity limitations are not appropriate for that member.
- Refer to the alert titled *How to Resolve Reject Code 76 – Plan Limitations Exceeded* for additional information about resolving Reject Code 76 rejections.

5. Reminder: Quantity Limit Restrictions for Common Continuous Glucose Monitoring Devices

Background

The purpose of this alert is to remind providers of the quantity limit (QL) restrictions for common continuous glucose monitoring (CGM) devices.

What Pharmacy Providers and Prescribers Need to Know

QL restrictions for common CGM devices are as follows:

- Dexcom G6
  - Sensor: Restricted to three sensors every 30 days, up to nine sensors in a 90-day period.
  - Transmitter: Restricted to one transmitter every 90 days.
  - Receiver: Restricted to one receiver every 365 days.
- Dexcom G7
  - Sensor: Restricted to three sensors every 30 days, up to nine sensors in a 90-day period.
  - Receiver: Restricted to one receiver every three years.

- Freestyle Libre 2
  - Sensor: Restricted to three sensors every 30 days, up to nine sensors in a 90-day period.
  - Reader: Restricted to one reader every 365 days.

What Pharmacy Providers and Prescribers Need to Do

1. For product-specific QLs, refer to the product-specific restrictions column in the *List of Contracted Continuous Glucose Monitoring (CGM) Systems* and the *Diabetic Supplies – Continuous Glucose Monitoring (CGM) Systems* section of the *Medi-Cal Rx Provider Manual* for product billing requirements.
2. If resubmission of the claim to meet QLs is not appropriate, a prior authorization (PA) is required for coverage consideration. Point-of-sale (POS) overrides are not available.

6. Updates to the Medi-Cal Rx Web Portal Appearance and Resources

Background

The purpose of this alert is to bring awareness to pharmacy providers, prescribers, and other stakeholders of the changes to the Medi-Cal Rx Web Portal and communications to align with the Department of Health Care Services' (DHCS) vision and strategic plan for transforming Medi-Cal.

What Pharmacy Providers and Prescribers Need to Know

- The Medi-Cal Rx Web Portal and new communications refer to Medi-Cal enrollees as "members" rather than "beneficiaries." Existing resources will be revised to update terminology over time.
- Effective October 29, 2023, select existing and all new documents, including but not limited to alerts, forms, and job aids, will display the new logos for DHCS and Medi-Cal Rx.

More information about the Medi-Cal Transformation is available on the CalAIM page on the DHCS website.

7. Reject Code 80 (Diagnosis) – Implementation Date Postponed

Background

The purpose of this alert is to provide an update to pharmacy providers and prescribers that **Reject Code 80 – Diagnosis Code Submitted Does Not Meet Drug Coverage Criteria** will not be reinstated on November 10, 2023, as previously announced.

What Pharmacy Providers and Prescribers Need to Know

On October 10, 2023, Medi-Cal Rx published an alert titled *30-Day Countdown: Phase IV, Lift 4: End of Transition Policy* informing pharmacy providers and prescribers that Reject Code 80 would be reinstated on November 10, 2023, for members 22 years of age and older.

Based upon stakeholder feedback, Medi-Cal Rx has decided to **postpone implementing Reject Code 80 on November 10, 2023**. This decision was made to reduce disruption and ensure safe and timely delivery of pharmacy benefits. Medi-Cal Rx will continue to engage with stakeholders on the reinstatement of Reject Code 80 and will provide notice at least 30 days in advance of an implementation date.

- **The Enteral Nutrition Transition Policy for members 22 years of age and older was retired on November 10, 2023.**
- **Brand Medically Necessary (BMN) prior authorization (PA) requirements were reinstated on November 10, 2023.**

8. Medi-Cal Rx Provider Portal Prior Authorization Submission Processing – System Issue Resolved

Background

Medi-Cal Rx recently experienced a system issue preventing submission of prior authorizations (PAs) through the Medi-Cal Rx Provider Portal. The issue has been resolved.

What Providers Need to Do

If providers submitted a PA via the Medi-Cal Rx Provider Portal and it failed to successfully process, the PA should be resubmitted. If providers submitted Pas via CoverMyMeds® or fax, then no action is needed. This system issue only involved Pas submitted directly via the Medi-Cal Rx Provider Portal.

9. Reminder: Reinstatement of Brand Medically Necessary Prior Authorization Request Requirements for DAW 1 Claims

Background

The purpose of this alert is to remind pharmacy providers and prescribers that claims that previously paid under the Transition Policy for Brand Medically Necessary (BMN) will now require a prior authorization (PA) request for members 22 years of age and older as of November 10, 2023.

Members 21 years of age and younger are not impacted.

What Pharmacy Providers and Prescribers Need to Know

Claims submitted with a dispense as written (DAW) code of DAW 1 for a brand, multisource product, when the product is not subject to a labeler restriction for the brand drug, will deny for BMN PA request requirements.

What Pharmacy Providers Need to Do

Pharmacy providers are required to submit a PA request if a claim denies with **Reject Code 75 – Prior Authorization Required** with the following supplemental message: "*Brand Medically Necessary PA required. If brand is not required, please use available generic.*" Claims submitted for brand, multisource drugs that do not have a Maximum Allowable Ingredient Cost (MAIC) or Federal Upper Limit (FUL) price type will not deny for BMN PA requirements.

Resources

- *Prior Authorization Submission Reminders*
- *Dispense as Written (DAW), Brand Medically Necessary (BMN), and Reimbursement – Frequently Asked Questions (FAQs)*

10. Enteral Nutrition Updates to the List of Contracted Enteral Nutrition Products, Effective November 1, 2023

The *List of Contracted Enteral Nutrition Products* has been updated on the Medi-Cal Rx Web Portal with the addition of several Abbott Nutrition nutritional package sizes to assist during the ongoing enteral formula national shortage. The effective date of the changes is November 1, 2023. Providers may re-submit previously denied claims for these billing codes up to and after a date of service (DOS) of November 1, 2023.

Effective November 1, 2023, the following additions have been made to the *List of Contracted Enteral Nutrition Products* posted on the Medi-Cal Rx Web Portal.

Manufacturer	Product Label Name	Medi-Cal 11-digit Billing Number (NDC)	Caloric Density
Abbott Nutrition	Nepro®, Vanilla, 8 oz bottle, 24 count	70074062585	1.77
Abbott Nutrition	Nepro, Vanilla, 8 oz bottle	70074053626	1.77
Abbott Nutrition	Ensure® Plus fiber, Vanilla, 8 oz bottle, 24 count	70074067086	1.50
Abbott Nutrition	Ensure Plus fiber, Vanilla, 8 oz bottle	70074067087	1.50
Abbott Nutrition	Ensure Original fiber, Vanilla, 8 oz bottle	70074067083	0.93
Abbott Nutrition	Ensure Original fiber, Vanilla, 8 oz bottle 24 count	70074067082	0.93

The amount reimbursed to providers is the estimated acquisition cost (EAC) per unit, multiplied by the number of units dispensed, plus a 23-percent markup. Assembly Bill (AB) 97 (2011) still impacts enteral nutrition claims; a ten-percent reduction applies to each paid claim.

Product addition or inclusion on the *List* does not guarantee supply nor individual specific coverage.

Medi-Cal Rx members denied coverage of a requested Medi-Cal Rx product have the right to a fair hearing. A state hearing may be requested by contacting the California Department of Social Services, State Hearings Division, at the following address:

State Hearings

P.O. Box 944243, MS 21-37
Sacramento, CA 94244-2430

Toll Free: 1-800-743-8525 or 1-855-795-0634
Fax: 1-833-281-0905

Medi-Cal Rx members have the right and are encouraged to consult their primary care provider or prescriber to determine if an appropriate substitute product is available and covered by Medi-Cal Rx.

11. November Provider Payment Release Date Change

What Pharmacy Providers Need to Know

The purpose of this alert is to inform pharmacy providers that pursuant to the *Medi-Cal Rx Checkwrite Schedule – State Fiscal Year 2023-24* originally published on June 2, 2023, and updated on November 8, 2023, a specific payment scheduled in November for Fiscal Year 2023-24 has changed.

Medi-Cal Rx provider payments scheduled to be released on Monday, November 13, 2023, were released on Friday, **November 10, 2023**.

12. 30-Day Countdown: Changes to Continuous Glucose Monitoring Systems Prior Authorization Bundling

Background

The purpose of this alert is to notify pharmacy providers and prescribers that the prior authorization (PA) bundling process for Medi-Cal Rx covered continuous glucose monitoring (CGM) systems is effective on December 1, 2023.

What Pharmacy Providers and Prescribers Need to Know

Pharmacy provider and prescribers will no longer need to submit PAs for each component (such as, sensor plus transmitter plus reader) of the CGM system. Medi-Cal Rx will accept one PA request for CGM systems which will apply to all components of the CGM system requested by the provider.

What Pharmacy Providers and Prescribers Need to Do

Prior to submitting a PA for CGM systems, pharmacy providers and prescribers should ensure the CGM system is on the *List of Contracted Continuous Glucose Monitoring (CGM) Systems*. Once confirmed, pharmacy providers and prescribers should complete the following steps:

1. Review the *Medi-Cal Rx Provider Manual* for CGM PA requirements.
2. Submit a single PA for the CGM system, addressing the PA requirements along with other clinical rationale that can be used to justify medical necessity.

Note: The PA can be submitted for any one component and the approved PA will apply to all components of the CGM system.

Product listing does not guarantee coverage or availability. CGM systems not covered by Medi-Cal Rx or not on the contracted *List* may be a benefit via the member's medical benefits. Providers should contact the Medi-Cal fee-for-service fiscal intermediary (FI) for questions regarding coverage via the member's medical benefit, and the managed care plan (MCP) for questions regarding coverage and billing information.

13. How to Resolve Reject Code A6 for Orally Administered Enteral Nutrition Claims

Background

Effective November 10, 2023, Medi-Cal Rx implemented the use of Drug Use Review (DUR) service codes for pharmacy providers to attest when submitting enteral nutrition claims for dual Medicare Part B and Medi-Cal covered beneficiaries who orally consume enteral nutrition. The purpose of this alert is to inform pharmacy providers how to resolve claims for orally administered enteral nutrition denying with **Reject Code A6 – Product/Service May Be Covered Under Medicare Part B** using DUR service codes at point of sale (POS).

What Pharmacy Providers Need to Know

Pharmacy claims for orally administered enteral nutrition products are not a covered benefit of Medicare Part B and may be submitted directly to Medi-Cal Rx. When submitting to Medi-Cal Rx for Medicare Part B eligible beneficiaries, the claim will deny with Reject Code A6 with the following supplemental message: *"Pharmacy to verify if beneficiary is orally or tube fed. If orally fed, resubmit the claim with DUR/PPS reason for service code "TP." Do NOT resubmit with this code if beneficiary is tube fed. Claims for tube fed beneficiaries must be billed to Medicare first."*

What Pharmacy Providers Need to Do

Pharmacy providers should complete the following steps when submitting claims to Medi-Cal Rx for Medicare Part B eligible beneficiaries who orally consume enteral nutrition products.

1. Confirm the beneficiary has Medicare Part B coverage along with Medi-Cal.

2. Confirm the beneficiary is receiving the enteral nutrition product for oral consumption.
   Note: For beneficiaries receiving enteral nutrition products via a feeding device, claims must be submitted to Medicare Part B as the primary payer and Medi-Cal Rx as a secondary payer. Refer to the *Medi-Cal Rx Billing Tips* for information on other coverage codes (OCCs) used for crossover claims.
3. Submit the claim directly to Medi-Cal Rx.
   Note: An approved prior authorization (PA) is required for all enteral nutrition products. Overrides will only apply to the Medicare coordination of benefits (COB) requirement and will not apply to the Medi-Cal Rx utilization management (UM) claim edits.
4. When the claim denies with Reject Code A6, pharmacy providers may resolve the claim by resubmitting with the following DUR codes:
   - Reason for Service (NCPDP Field ID: 439-E4):
     - TP (payer/processor question)
   - Professional Services (NCPDP Field ID: 440-E5):
     - M0 (prescriber consulted)
     - P0 (patient consulted)
     - R0 (pharmacist consulted)
   - Result of Service (NCPDP Field ID: 441-E6):
     - 1B (filled prescription as is)
     - 1G (filled prescriber approval)

   Note: These DUR codes will be accepted when claims are submitted to Medi-Cal Rx via point of service (POS), batch, web claims, or paper claims.

Claims are monitored for program integrity by the Department of Health Care Services (DHCS) Audits & Investigations (A&I) Division.

Reminders

- Only the products on the *List of Contracted Enteral Nutrition Products* are considered for coverage via Medi-Cal Rx.
- Product addition or inclusion on the *List of Contracted Enteral Nutrition Products* does not guarantee supply or individual-specific coverage.
- Products deleted from the *List of Contracted Enteral Nutrition Products* will no longer be reimbursable, even with an approved PA, on or after the effective date of deletion.
  - The Maximum Allowable Cost (MAC) for these products is no longer guaranteed.
  - Beneficiaries affected by deletions from the *List* should seek new prescriptions from their licensed prescriber, and new authorizations from their pharmacy provider, if applicable, for a comparable item that is listed. Continuing care does not apply.

- Medi-Cal Rx beneficiaries denied coverage of a requested Medi-Cal Rx product have the right to a fair hearing. A state hearing may be requested by contacting the California Department of Social Services, State Hearings Division, at the following address:

  State Hearings

  P.O. Box 944243, MS 21-37
  Sacramento, CA 94244-2430

  Toll Free: 1-800-743-8525 or 1-855-795-0634
  Fax: 1-833-281-0905

Resources

- For more information on Medicare COB billing, refer to the *COB General Instructions* section of the *Medi-Cal Rx Provider Manual*.
- For more information on claim edits, refer to the *Medi-Cal Rx NCPDP Payer Specification Sheet* and the *Medi-Cal Rx Billing Tips*.

14. Policy Update: Use of "Inner" and "Outer" NDCs for Claim Submission

Background

The purpose of this alert is to notify pharmacy providers and prescribers that the policy for "inner" and "outer" NDCs for outpatient drugs has been updated. For more information about these updates, refer to the *Missing Price* section of the *Medi-Cal Rx Provider Manual*.

What Pharmacy Providers and Prescribers Need to Know

"Inner" and "outer" NDCs for outpatient drugs may be used to submit a claim to Medi-Cal Rx if the manufacturer reports the price to First Databank (FDB), and the approved reimbursement methodology can be applied to the point-of-sale (POS) claim system. If FDB does not have a reported price, the claim will deny with **Reject Code 85 – Claim Not Processed**. When the "inner" NDC does not have a reported price but is used for claim processing, the claim will deny with Reject Code 85. The "outer" NDC price was most likely reported to FDB by the manufacturer.

Note: In the event that neither the "inner" nor "outer" NDC have a price reported to FDB, it is recommended to consider dispensing the drug using an alternate payable NDC from a different manufacturer.

What Pharmacy Providers and Prescribers Need to Do

Providers can resolve Reject Code 85 for "inner" and "outer" NDCs by taking the following steps:

- Resubmit the claim using the "outer" NDC if the "inner" NDC was denied with Reject Code 85.

- If the "outer" NDC cannot be used for claim submission, submit a paper claim via:
  - *Universal Claim Form* (UCF); or
  - *California Specific Pharmacy Claim Form* (30-1)
  - For compounds only: California Specific Compound Pharmacy Claim Form (30-4)

Providers must include the 11-digit "inner" NDC being dispensed along with the "outer" NDC in the "Remarks" area. If not included, the claim will be denied.

Resources

- Refer to the following sections of the *Medi-Cal Rx Provider Manual*:
  - *Paper Claim(s)*
  - *Missing Price*
  - *Completion Instructions for the Universal Claim Form*
  - *Completion Instructions for California Specific Pharmacy Claim Form (30-1)*
  - *Completion Instructions for California Specific Compound Pharmacy Claim Form (30-4)*
  - *Appendix B – Directory*

Contact Information

You can call the Medi-Cal Rx Customer Service Center (CSC) at 1-800-977-2273, which is available 24 hours a day, 7 days a week, 365 days per year.

For other questions, email Medi-Cal Rx Education & Outreach at MediCalRxEducationOutreach@magellanhealth.com.