



Medicaid Update

The Official Newsletter of the New York State Medicaid Program

February 2024
Volume 40 | Number 2

Reminder: Pharmacies Submitting Medicaid 340B Drug Claims

New York State (NYS) Medicaid continues to accept appropriately submitted claims for 340B purchased drugs. Federal law 42 United States Code (USC) 256b(a)(5)(A)(i), located at: [https://www.hrsa.gov/opa/program-requirements/medicaid-exclusion#:~:text=42%20USC%20256b\(a\),place%20to%20prevent%20duplicate%20discounts](https://www.hrsa.gov/opa/program-requirements/medicaid-exclusion#:~:text=42%20USC%20256b(a),place%20to%20prevent%20duplicate%20discounts), prohibits duplicate discounts, such that drug manufacturers are not required to provide a discounted 340B price and a NYS Medicaid drug rebate for the same drug. To prevent duplicate discounts, NYS Medicaid exclusively uses claim level identifiers on either National Council for Prescription Drug Programs (NCPDP) or Professional/Institutional claim types (837P/837I) on eligible 340B purchased claims. Information on how outpatient clinics bill for 340B drugs can be found in the *Clarification of Previous Guidance: New York State Medicaid Fee-for-Service Coverage of Practitioner Administered Drugs* article published in the July 2022 issue of the *Medicaid Update*, located at: https://www.health.ny.gov/health_care/medicaid/program/update/2022/docs/mu_no8_jul22_pr.pdf.

Pharmacy providers must comply with NYS Medicaid policy for 340B drug claims, as outlined in the *NYRx the NY Medicaid Pharmacy Program – Pharmacy Manual Policy Guidelines*, located at: https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf, and *Medicaid Update* articles. All NCPDP-submitted 340B-purchased drug claims (when NYS Medicaid is primary payor) must be submitted with claim level identifiers *and* at actual acquisition cost. Providers should refer to the *NYRx the NY Medicaid Pharmacy Program – Pharmacy Manual Policy Guidelines*, located at: https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf, for requirements when NYS Medicaid is secondary payor. Claim level identifiers are required on eligible 340B purchased drug claims for NYS Medicaid members.

Through monitoring real-time claims, NYRx has identified two trends in pharmacy submitted 340B drug claims:

- 1. Ingredient cost submitted exceeds 340B ceiling price**
- 2. Invalid codes submitted for 340B pharmacy drugs**

The 340B ceiling price refers to the maximum amount that a manufacturer can charge the covered entity for the purchase of a 340B drug. A claim submitted to NYS Medicaid that is higher than the 340B ceiling price will be denied. Claims that are denied must be resubmitted with the correct ingredient cost. Alternatively, the pharmacy may dispense a non-340B drug and remove the claim level identifiers and submit at the usual and customary charge.

Claims for 340B drugs submitted to NYS Medicaid via the NCPDP D.0 format must also adhere to the following:

- must be properly identified as 340B for both fee-for-service (FFS) members and Medicaid Managed Care (MMC) enrollees; and
- submitted at the 340B acquisition cost by invoice to the provider for FFS members and MMC enrollees, net any manufacturer discounts and/or other price reductions.

Continued on Page 3

Kathy Hochul
Governor
State of New York

James McDonald, M.D., M.P.H.
Commissioner
New York State
Department of Health

Amir Bassiri
Medicaid Director
Office of Health Insurance Programs

The Medicaid Update is a monthly publication of the New York State Department of Health.

In This Issue...

Reminder: Pharmacies Submitting Medicaid 340B Drug Claims *Cover*

Pharmacy

Reminder: Pharmacy Coverage Includes Over the Counter Naloxone.....5

Policy and Billing

Update for Long-Term Care Pharmacy Providers on Short Cycle Billing of Pharmacy Claims6

Provider Directory8

Pharmacy

The following is additional information on NYS Medicaid 340B drug claim edits:

**The Medicaid Eligibility Verification System (MEVS) Denial Code for a transaction is returned within the Additional Message Info (526-FQ) and indicates the MEVS error for rejected transactions.*

NYRx Edit	NYRx Description	NCPDP Reject Response	Additional Information and How to Resolve	Resources
02276	Submitted Ingredient Cost Exceeds Ceiling Price	<p>78 - Cost Exceeds Maximum</p> <p><i>*Additional MEVS Denial code: 708 - Exceeds NY Allowed Maximum.</i></p>	Pharmacy has identified the eligible claim as dispensing a 340B drug. The pharmacy must submit the ingredient cost at their 340B price in field 409-D9, with no fees added.	<ul style="list-style-type: none"> • <i>340B Claim Reminder for Covered Entities and Contract Pharmacies</i> article published in the June 2023 issue of the <i>Medicaid Update</i>: https://www.health.ny.gov/health_care/medicaid/program/update/2023/docs/mu_no11_jun23_pr.pdf • <i>NYRx the NY Medicaid Pharmacy Program – Pharmacy Manual Policy Guidelines</i>, pages 28, 32, and 38: https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf
02275	Invalid Codes Submitted For 340B Pharmacy Drugs	<p>34 - M/I Submission Clarification Code</p> <p><i>*Additional MEVS Denial Code: 734 - Invalid Combination of Values for 340B Drug.</i></p>	Pharmacy has identified the eligible claim as dispensing a 340B drug with a claim level identifier of “20” in field 420-DK but has not submitted the claim with a Basis of Cost Determination Code of “08” in field 423-DN as required for a 340B claim, or the pharmacy submitted the Basis of Cost of “08”, but did not enter a “20” in field 420-DK. Pharmacy should resubmit claim with actual acquisition cost and “08” in the Basis of Cost field.	<ul style="list-style-type: none"> • <i>340B Claim Reminder for Covered Entities and Contract Pharmacies</i> article published in the June 2023 issue of the <i>Medicaid Update</i>: https://www.health.ny.gov/health_care/medicaid/program/update/2023/docs/mu_no11_jun23_pr.pdf • <i>Attention: 340B Claim Reminder and Clarification for Covered Entities and Contract Pharmacies</i> article published in the November 2021 issue of the <i>Medicaid Update</i>: https://www.health.ny.gov/health_care/medicaid/program/update/2021/docs/mu_no13_nov21_pr.pdf • <i>NYRx the NY Medicaid Pharmacy Program – Pharmacy Manual Policy Guidelines</i>, pages 28, 32, and 38: https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf

Please note: All 340B claims are subject to audit and investigation; in addition, claims improperly identified as 340B and/or claims with unsubstantiated Acquisition Cost may be considered fraudulent claims.

Important NYRx Phone Numbers:

- eMedNY - Claims billing and ePACES assistance: (800) 343-9000
- Magellan Rx Management, LLC – Prior authorization (PA) requests, emergency 72-hour supply requests, clinical criteria questions and NYRx programs: (877) 309-9493
- Medical supplies and procedure code limits: (800) 342-3005
- Enteral nutrition PA: (866) 211-1736, Option 1

General Resources:

- NYRx, the NYS Medicaid Pharmacy program (https://www.health.ny.gov/health_care/medicaid/program/pharmacy.htm)
- *Medicaid Update* (https://www.health.ny.gov/health_care/medicaid/program/update/main.htm)
- *NYRx, the Medicaid Pharmacy Program Preferred Drug List* (https://newyork.fhsc.com/downloads/providers/NYRx_PDP_PDL.pdf)
- *NYRx the NY Medicaid Pharmacy Program – Pharmacy Manual Policy Guidelines* (https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf)
- *New York State Department of Health – List of Medicaid Reimbursable Drugs* (<https://www.emedny.org/info/formfile.aspx>)
- *eMedNY Prospective Drug Utilization Review/Electronic Claims Capture and Adjudication ProDUR/ECCA Provider Manual (NCPDP Reject Response/MEVS)* (https://www.emedny.org/ProviderManuals/Pharmacy/ProDUR-ECCA_Provider_Manual/index.aspx)

Questions

Questions regarding this policy should be directed to NYRx@health.ny.gov.

Reminder: Pharmacy Coverage Includes Over the Counter Naloxone

New York State (NYS) Medicaid covers naloxone over the counter (OTC) when prescribed by the practitioner of a NYS Medicaid member or dispensed to a NYS Medicaid member in compliance with the State-issued naloxone standing order. Information regarding the naloxone standing order can be found in the NYS Department of Health (DOH) *Non-Patient Specific Prescription for Naloxone with Pharmacy Dispensing Protocol* document, located at: https://www.health.ny.gov/diseases/aids/general/opioid_overdose_prevention/docs/naloxone_standing_order_pharmacies.pdf.

To comply with NYS laws, regulations, and NYS Medicaid policy, a pharmacy must submit a claim and dispense naloxone OTC pursuant to a fiscal order or via a standing order. When dispensing naloxone OTC via a standing order, all the following must apply:

- a NYS Medicaid member had specifically requested the item on the date of service (DOS); or
- a pharmacist-initiated dispensing per a determination of need/risk on DOS for a NYS Medicaid member; and
- a pharmacy submits one course of therapy (two doses) with no refills; and
- the drug item(s) are dispensed according to:
 - Food and Drug Administration (FDA) guidelines;
 - NYS laws, rules, and regulations; and
 - NYS Medicaid Policy.

Billing a Standing Order:

1. Enter a value of "5" in the Prescription Origin Code field 419-DJ to indicate pharmacy dispensing;
2. Enter a value of "99999999" in the Serial Number field 454-EK;
3. Submit the prescriber identification field 411-DB with the NPI of the authorizer of the standing order;
4. Maintain documentation that includes:
 - a. NYS Medicaid member consent, and
 - b. modality of the NYS Medicaid member request (in pharmacy or by telephone), or
 - c. pharmacist determination of need/risk, and
 - d. date and time of either:
 - i. the request of the NYS Medicaid member; or
 - ii. the pharmacist need/risk evaluation.

Questions and Additional Information:

- NYRx claim questions should be directed to the eMedNY Call Center at (800) 343-9000.
- NYRx Pharmacy coverage and policy questions should be directed to the NYS Medicaid Pharmacy Policy Unit by telephone at (518) 486-3209 or by email at NYRx@health.ny.gov.
- Naloxone standing order specific questions should be directed to naloxonepharmacy@health.ny.gov.

Update for Long-Term Care Pharmacy Providers on Short Cycle Billing of Pharmacy Claims

Long-term care (LTC) pharmacy providers must submit short cycle claims with the appropriate National Council for Prescription Drug Programs (NCPDP) Submission Clarification Code (SCC) value in field 420-DK (**see Table 2**) when submitting claims for NYS Medicaid members in LTC facilities, for quantities of 14 days' supply or less. Short cycle claims must include the appropriate value as described in Table 2 for fee-for-service (FFS) members who reside in a Private Skilled Nursing Facility, Public Skilled Nursing Facility, Private Health Related Facility, or Public Health Related Facility, as indicated by a "NH" Restriction Exception (RE) code on eligibility response for the NYS Medicaid member. **Additionally, the appropriate value in Table 2 must be included on short cycle claims for Medicaid Managed Care (MMC) enrollees who reside in a facility when a RE code of N1 [Regular Nursing home (NH)], N2 (AIDS NH), N3 (Neuro-Behavioral NH), N4 [Traumatic Brain Injury (TBI) NH], N5 (Ventilator Dependent), or N6 (NH-any type), returns on the eligibility response for the NYS Medicaid member.**

This guidance supersedes previous guidance found in the following *Medicaid Update* articles:

- *Expansion of Guidance for Long-Term Care Pharmacy Providers on Short Cycle Billing of Pharmacy Claims* article published in the November 2021 issue of the *Medicaid Update*, located at: https://www.health.ny.gov/health_care/medicaid/program/update/2021/docs/mu_no13_nov21_pr.pdf
- *Reminder: Long Term Care Pharmacy Providers Will Identify Fee-for-Service Short Cycle Pharmacy Claims* article published in the July 2020 issue of the *Medicaid Update*, located at: https://www.health.ny.gov/health_care/medicaid/program/update/2020/docs/mu_no12_jul20.pdf
- *Changes to Medicaid FFS Pharmacy Reimbursement To Be Implemented February 22, 2018* article published in the January 2018 issue of the *Medicaid Update*, located at: https://www.health.ny.gov/health_care/medicaid/program/update/2018/jan18_mu.pdf

Table 1:

EMedNY Edit Number/Message	"02322" , Missing/Invalid SCC for days' supply 14 or less
NCPDP Response Code/Description	"34" , Missing/Invalid SCC

Table 2:

Valid Values	Short Name Description	Long Name Description
06	START DOSE	STARTER DOSE
10	MT PLN LMT	MEETS PLAN LIMITATIONS (the pharmacy certifies that the transaction is compliant with program policies and rules that are specific to the particular product being billed)
14	SHRTLALTC	SHORT-FILL (leave of absence from LTC)
17	REMANAFTEK	REMAINDER AFT EMERGENCY KIT
21	LTC14DAYLS	FOURTEEN DAYS OR LESS NOT APPLICABLE (fourteen days or less dispensing is not applicable due to CMS exclusion and/or manufacturer packaging may not be broken or special dispensing methodology)
22	LTC7DAY	SEVEN DAY SUPPLY
23	LTC4DAY	FOUR DAY SUPPLY
24	LTC3DAY	THREE DAY SUPPLY
25	LTC2DAY	TWO DAY SUPPLY
26	LTC1DAY	ONE DAY SUPPLY
27	LTC43DAY	FOUR THEN THREE DAY SUPPLY
28	LTC223DAY	TWO, THEN TWO, THEN THREE DAY SUPPLY
29	LTCDAILY3D	DAILY AND THREE-DAY WEEKEND (pharmacy or remote dispensed daily during the week and combines multiple days dispensing for weekends)
30	LTCSHIFT	PER SHIFT DISPENSING

Valid Values	Short Name Description	Long Name Description
31	LTCMED	PER MED PASS DISPENSING
32	LTCPRN	PRN ON DEMAND
33	LTC7ORLES	SEVEN DAYS OR LESS (cycle not otherwise represented)
34	LTC14DAY	FOURTEEN DAY DISPENSING
35	LTC814DAY	EIGHT TO FOURTEEN DAYS DISPENSING (cycle not otherwise represented)

Abbreviations: "MT PLN LMT" - Meets Plan Limitations; "SHRTLALTC" - Short-Fill Leave of Absence from LTC; "REMANAFTEK" - Remainder AFT Emergency Kit; "AFT" - After hours or indicates that the transaction is a replacement supply for doses previously dispensed to the patient after hours; "CMS" - Centers for Medicare and Medicaid Services.

Please note: Values "06", "14", "17" and "22" through "35" will have a prorated dispensing fee applied. Pharmacists may use SCC "10" and "21" for scenarios where drugs are dispensed in their original container, as indicated in the Food and Drug Administration (FDA) prescribing information, or those that are customarily dispensed in their original packaging to assist patients with compliance. The NYS Department of Health (DOH) will continue to monitor the use of these codes to ensure compliance. **Medicine cabinet drugs and emergency kit replenishment are included in the LTC rate and may not be separately billed to NYS Medicaid.**

Questions and Additional Information:

- Claim questions should be directed to the eMedNY Call Center at (800) 343-9000.
- NYRx coverage and policy questions should be directed to the Medicaid Pharmacy Policy Unit by telephone at (518) 486-3209 or by email at NYRx@health.ny.gov.
- MMC reimbursement, billing, and/or documentation requirement questions should be directed to the MMC Plan(s) of the enrollee.
- MMC Plan contact information can be found in the eMedNY *New York State Medicaid Program Information for All Providers Managed Care Information* document, located at: https://www.emedny.org/ProviderManuals/AllProviders/PDFS/Information_for_All_Providers_Managed_Care_Information.pdf.

Provider Directory

Office of the Medicaid Inspector General:

For suspected fraud, waste, or abuse complaints/allegations, please call 1-877-87 FRAUD, (877) 873-7283, or visit the Office of Medicaid Inspector General (OMIG) web site at: www.omig.ny.gov.

Provider Manuals/Companion Guides, Enrollment Information/Forms/Training Schedules:

Please visit the eMedNY website at: www.emedny.org.

Providers wishing to listen to the current week's check/EFT amounts:

Please call (866) 307-5549 (available Thursday PM for one week for the current week's amount).

For questions about billing and performing MEVS transactions:

Please call the eMedNY Call Center at (800) 343-9000.

Provider Training:

Please enroll online for a provider seminar at: <https://www.emedny.org/training/index.aspx>. For individual training requests, please call (800) 343-9000.

Beneficiary Eligibility:

Please call the Touchtone Telephone Verification System at (800) 997-1111.

Medicaid Prescriber Education Program:

For current information on best practices in pharmacotherapy, please visit the following web sites:

- DOH Prescriber Education Program page: https://www.health.ny.gov/health_care/medicaid/program/prescriber_education/presc-educationprog.
- Prescriber Education Program in partnership with SUNY: <http://nypep.nysdoh.suny.edu/>.

eMedNY

For a number of services, including: change of address, updating an enrollment file due to an ownership change, enrolling another NPI, or revalidating an existing enrollment, please visit the eMedNY Provider Enrollment page at: <https://www.emedny.org/info/ProviderEnrollment/index.aspx>, and choose the appropriate link based on provider type.

Comments and Suggestions Regarding This Publication

Please contact the editor, Angela Lince, at medicaidupdate@health.ny.gov.