GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Office of the Senior Deputy Director

Transmittal No. 14-06

To: **Pharmacy Providers**

From: **Linda Elam, PhD, MPH**
Senior Deputy Director & State Medicaid Director

Date: NOV 2 2 2013

Subject: **FFS Medicaid Co-Pay Waiver Transmittal**

This transmittal is being written as a reminder to District of Columbia Medicaid enrolled pharmacies that Medicaid beneficiaries seeking to fill prescriptions who state that they are unable to satisfy the co-pay requirement must be given their medications. If the pharmacy has agreed to accept Medicaid reimbursement for prescriptions, the pharmacy cannot refuse to fill a prescription for a Medicaid beneficiary because the co-payment cannot be paid. Federal law requires a pharmacy to release the medication to the beneficiary, but does not require a pharmacy to waive or forgive the co-payment.

The pharmacy retains the authority to collect the co-payment amount owed for the released prescriptions from the beneficiary at a later time. However; the arrangement to collect outstanding co-payments should occur independently between the pharmacy and the Medicaid beneficiary.

If a pharmacy decides to waive the co-pay for a particular prescription, the DC Medicaid Fee for Service Pharmacy Benefit Management contractor (Xerox State Healthcare) has implemented a process to do so via the point of service (POS) electronic claims system.

In order to waive the copay for a Medicaid prescription, the pharmacy should take the following steps:

- Reverse the paid claim showing the $1.00 co-pay;
- Edit the claim by entering a value of "**4**" in the **Prior Authorization Type Code Field** (NCPDP field 461-EU);

- Re-submit the claim;
- The co-payment amount will appear as "**zero**".

Please note that the Medicaid reimbursement amount paid to the pharmacy will **not** be adjusted due to the pharmacy's co-pay waiver decision, i.e., the Medicaid reimbursement amount will remain the same whether the co-payment is waived or not.

This transmittal also addresses a correction to the point of sale system. The use of Prior Authorization Code Type "2" to override the "refill too soon" edit will no longer be available without prior authorization. All requests to override the "refill too soon" edit must be made to the Xerox Pharmacy Call Center at 800-273-4962. If the request is approved, a Call Center agent will place the appropriate edit(s) to allow the "refill too soon" claim to be processed. This system correction is not a change in Medicaid policy but is the District's response to identified program integrity, fraud and abuse concerns.

If you have questions regarding these pharmacy issues, please feel free to contact either:

> Charlene Fairfax, RPh, Senior Pharmacist at 202-442-9076 or charlene.fairfax@dc.gov; or Gidey Amare, RPh, Pharmacist at 202-442-5952 or gidey.amare@dc.gov

Thank you for your cooperation. We appreciate the professional care and service you provide to District of Columbia Medicaid beneficiaries.