

November 29, 2005

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MEDICAID BULLETIN

TO: Providers Indicated

SUBJECT: Certain Physician-Injectable Products - New Option for Medicaid Billing

Effective with dates of service beginning December 15, 2005, a new option is available that allows pharmacy providers to bill South Carolina Medicaid for certain physician-injectable products (in lieu of physicians having to "buy and bill") when the product is administered to a patient in the physician's office or clinic. This option, applicable for services provided to **non-dually eligible, Medicaid fee-for-service beneficiaries only**, is being implemented so that the South Carolina Department of Health and Human Services may better serve both Medicaid providers and beneficiaries. This billing option is available for the following physician-injectable products:

Physician-Injectable Products With Pharmacy Billing Option	
Omalizumab (e.g., Xolair®)	<p><i>Prior authorization (PA) is required. PA criteria may be found elsewhere in this Medicaid bulletin. PA requests should be telephoned or faxed, toll-free, to the First Health Clinical Call Center by the prescriber or the prescriber's designated office personnel.</i></p> <p style="text-align: center;"><u>First Health Clinical Call Center</u> Telephone: 866-247-1181 Fax: 888-603-7696</p>
Leuprolide acetate (e.g., Lupron®, Eligard®, Viadur®) Rh ₀ (D) Immune Globulin (e.g., RhoGAM®)	<p><i>No PA is required when used for Food and Drug Administration (FDA)-approved indications.</i></p>

PHYSICIANS' OFFICES/CLINICS:

Providers should note that this option is not available for Medicaid eligibles who also have Medicare coverage, nor is this policy applicable for beneficiaries enrolled in a Medicaid managed care organization (MCO). Under this new option, physicians' offices/clinics may either "buy and bill" omalizumab, leuprolide acetate, or Rh_o(D) immune globulin in compliance with existing Medicaid policies, or follow the requirements described below to use the option of pharmacy billing:

- Contact the First Health Clinical Call Center to obtain PA for omalizumab. The toll-free telephone number for the First Health Clinical Call Center is 866-247-1181.
 - Prior authorization requests may also be faxed (toll-free) to 888-603-7696. The PA fax form at the following link should be used for faxed requests: <http://southcarolina.fhsc.com/Downloads/provider/generalPAform-SCpharmacy.pdf>.

***NOTE:** Leuprolide acetate and Rh_o(D) immune globulin do not require PA when used for FDA-approved indications; however, Medicaid coverage is not available if leuprolide acetate or Rh_o(D) immune globulin is prescribed for non-FDA-approved indications.*

- Authorize a prescription for the patient to whom one of the specified physician-injectable products [omalizumab, leuprolide acetate, or Rh_o(D) immune globulin] will be administered. It is the prescriber's responsibility to obtain PA approval for omalizumab **prior** to the prescription being filled at the pharmacy.
- Have the prescription for the pharmaceutical filled at a pharmacy that stocks the physician-injectable product.

***NOTE:** The Pharmacy Services provider will submit the prescription claim to Medicaid for reimbursement to the pharmacy.*

- **Due to safety and product stability issues, the pharmacy providers shall ensure that the pharmaceutical is delivered *directly* to the physician's office/clinic.**
- Administer the injectable product to the patient and bill Medicaid for only the administration of the injectable. *Physicians' offices/clinics must NOT bill Medicaid for any physician-injectable product [e.g., omalizumab, leuprolide acetate, or Rh_o(D) immune globulin] that was dispensed by a pharmacy pursuant to a patient-specific prescription.* Audits will be performed to ensure adherence to this policy since such billing of the physician-injectable product by *both* the physician's office/clinic and the pharmacy will result in duplicate Medicaid payments for the same product/beneficiary/date of service.

PHARMACIES:

Under this new option, pharmacists may submit claims for Medicaid fee-for-service beneficiaries for omalizumab, leuprolide acetate, or Rh_o(D) immune globulin even though these injectables will be administered in the physician's office. As noted previously in this bulletin, physicians must request PA for omalizumab; PA is not required for leuprolide acetate or Rh_o(D) immune globulin. Upon receipt of a prescription for leuprolide acetate or Rh_o(D) immune globulin or a PA-approved prescription for omalizumab the pharmacist should:

- Enter PATC = 1 and Patient Location = 10 to bill Medicaid.
- Dispense the product. Due to safety and product stability issues, ensure that the pharmaceutical is delivered *directly* to the physician's office/clinic.

PRIOR AUTHORIZATION CRITERIA FOR OMALIZUMAB

Indication: For adults and adolescents 12 years of age and older with moderate to severe persistent asthma for at least one year, who have a positive skin test or *in vitro* reactivity to a perennial aeroallergen and those symptoms are inadequately controlled with inhaled corticosteroids.

Prescriber requesting PA must be one of the following:

- Allergist/Immunologist
- Pulmonologist

Concurrent treatment or treatment failures (all three of the following are required):

- Failure/contraindication to an inhaled corticosteroid
- Failure/contraindication to long-acting beta-2 agonists [National Heart, Lung, and Blood Institute (NHLBI) guidelines: <http://www.nhlbi.nih.gov/guidelines/asthma/asthgdln.pdf>]
- Failure or contraindication to a leukotriene receptor antagonist

Required information and laboratory tests:

- History of a positive skin test or radioallergosorbent (RAST) test to a perennial aeroallergen
- Pretreatment serum total IgE (immunoglobulin E) level between 30 and 700 Iu/ml (International Units per milliliter)
- Weight and height

Length of PA approval: The PA request may be approved for six months. Subsequent requests may only be approved if the prescriber is able to provide verification of clinical improvement.

Questions regarding this bulletin should be directed to the Department of Pharmacy Services at (803) 898-2876. Thank you for your continued support and participation in the South Carolina Medicaid program.

/s/

Robert M. Kerr
Director

RMK/btav

NOTE: To receive Medicaid bulletins by email or to sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions:
<http://www.dhhs.state.sc.us/dhhsnew/QLbulletins.asp>.