

Pharmacy Services

Revised: [February 29, 2024](#)

- [Overview](#)
 - [Key Points](#)
- [Eligible Providers](#)
 - [Dispensing Providers](#)
 - [Prescribing Providers](#)
- [Eligible Members](#)
- [Covered Services](#)
 - [Compound Drugs](#)
 - [Covered Drugs](#)
 - [Home Infusion Therapy](#)
 - [Long Term Care \(LTC\) Facilities](#)
 - [Medicare Coverage](#)
 - [Minnesota Family Planning Program \(MFPP\)](#)
 - [Pharmacist Administered Immunizations and Vaccines](#)
 - [Physician Administered Drugs](#)
 - [Pharmacist Prescribing - OTC Medications](#)
 - [Pharmacy Service Limitations](#)
 - [Point of Sale Diabetic Testing Supply Program](#)
 - [Specialty Pharmaceutical Reimbursement](#)
- [Noncovered Services](#)
 - [Drugs and Costs](#)
 - [Automatic Refills](#)
- [Authorization/Limitation Requirements](#)
 - [Dispense as Written — Brand Necessary](#)
 - ["Refill-Too-Soon" Override and Authorization Requests](#)
- [Billing](#)
 - [Accepting Cash Payments](#)
 - [Point of Sale \(POS\)](#)
 - [Billing Coordination of Benefits \(COB\)](#)
 - [Online Claims Screening \(ProDUR\)](#)
 - [MN-ITS](#)
 - [Clozapine Case Management Services](#)
 - [Billing for Clozapine Case Management](#)
 - [Billing for Administering Injectable Antipsychotics and Vivitrol](#)
 - [Copays and Spenddowns](#)
 - [Drugs Requiring a Diagnosis](#)
 - [Medical Supplies and Equipment](#)
 - [National Drug Codes \(NDC\)](#)
 - [Prescribing Provider NPI Numbers](#)
 - [Reversal of Claims](#)
- [Definitions](#)
 - [Drug Formulary Committee](#)
 - [Drug Utilization Review Board](#)
- [Legal References](#)

Overview

Information in this section applies to all of [Minnesota's Health Care Programs \(MHCP\)](#). Providers must contact the appropriate health plan for pharmacy information related to members in [managed care organizations \(MCO\)](#).

Key Points

Federal Anti-Fraud Statutes

Pharmacies cannot use pharmaceutical manufacturers' coupons, discounts or similar promotions to attract prescription business from Medical Assistance (MA) members. Federal anti-fraud and abuse provisions prohibit certain types of business transactions or arrangements, per Section 231(h) of HIPAA and the Office of Inspector General Special Fraud Alert, 59 Fed. Reg. 242; 1994. Refer to [Provider Requirements](#) for details.

How to Determine Drug Coverage

Use the [National Drug Code \(NDC\)](#) search site or DHS [National Drug Code](#) search to determine MHCP coverage of individual drug products.

Labeler Codes

The U.S. Food & Drug Administration (FDA) assigns each listed drug product a unique 11-digit, 3-segment number, known as the National Drug Code (NDC). The first segment (5-digits) identifies the manufacturer or labeler of the drug, the second segment (4-digits) identifies the drug and the third segment (2-digits) refers to the package size. MHCP requires the 11-digit 5-4-2- format for billing or reporting an NDC.

If a manufacturer is not listed as a participant in the federal [Medicaid Drug Rebate Program](#), the MHCP program will not cover products from that manufacturer.

Payment for Prescribed Drugs

The maximum payment for any prescribed drug is the lower of the following:

- The pharmacy's usual and customary charge
- The estimated [National Average Drug Acquisition Cost](#) of the drug or [Minnesota State Maximum Allowable Cost List \(PDF\)](#) for a drug established by the Minnesota Department of Human Services (DHS), plus a dispensing fee
- [Specialty Pharmaceutical Reimbursement rate \(PDF\)](#), plus a dispensing fee
- For drugs that do not have a published National Average Drug Acquisition Cost, maximum allowable cost, and specialty pharmaceutical reimbursement rate the maximum payment is the lower of the pharmacy's usual and customary charge or the Wholesale Acquisition Cost minus 2 percent plus a dispensing fee.

Change Healthcare is the MHCP contracted vendor to maintain the state maximum allowable cost (SMAC) list for generic drugs. Providers may contact Change Healthcare at 855-389-9503 with questions about the SMAC program or specific SMAC prices. To initiate a SMAC price review, complete the [MHCP SMAC Research Request Form \(DHS-6406\) \(PDF\)](#) and fax it to the Change Healthcare Minnesota SMAC Helpdesk at 877-350-2810.

The Centers for Medicare and Medicaid services contracts with Myers and Stauffer LC to calculate and maintain the National Average Drug Acquisition Cost (NADAC). For more information on NADAC, refer to the [Centers for Medicare & Medicaid Services Retail Price Survey](#) webpage. Providers may complete the [NADAC - Request for Medicaid Reimbursement Review \(PDF\)](#) form to initiate a NADAC review for a drug or contact the NADAC Help Desk at 855-457-5264.

Subject to federal approval, claims for legend drugs with a date of service on and after July 1, 2019, will have an additional 1.8 percent payment for the MinnesotaCare provider tax added to the maximum payment described in this section. The 1.8 percent does not apply to the dispensing fee.

Tamper-Resistant Prescription Blanks

The [Appropriations Act of 2007-H. R. 2206–76 \(PDF\)](#) states that Medical Assistance (MA) will not pay for prescriptions in non-electronic form for MA-covered outpatient drugs unless the prescription was executed on a tamper resistant prescription blank. This law does not affect prescriptions electronic-prescribed, faxed or phoned in to the pharmacy by the prescriber.

Hand-written prescriptions must be executed on a tamper-resistant prescription blank with at least one characteristic from all three categories as outlined in the [July 2008 NCPDP letter to Medicaid \(PDF\)](#).

Eligible Providers

Dispensing Providers

To dispense prescription drugs, an enrolled provider must meet at least one of the following criteria:

- A [pharmacy](#) that is licensed by the [Minnesota Board of Pharmacy](#)
- An out-of-state pharmacy licensed by a state board of pharmacy
- A physician located in a local trade area where there is no MHCP enrolled pharmacy. To be eligible for payment, the physician must personally dispense the [prescribed drug](#) according to applicable Minnesota statutes, and must adhere to the labeling requirements of the Minnesota Board of Pharmacy
- A physician or nurse practitioner employed by or under contract with a community health board for communicable disease control

Prescribing Providers

To be eligible for coverage, an enrolled prescriber must write prescriptions. MHCP fee-for-service (FFS) will not cover prescriptions written by non-enrolled providers.

The following enrolled providers may prescribe drugs within the scope of their profession:

- Dentists
- Certified nurse practitioners
- Mental health certified clinical nurse specialists
- Optometrists
- Osteopaths
- Physician Assistants
- Physicians
- Podiatrists
- Other health care professionals licensed to prescribe drugs under Minnesota statutes

Pharmacists may [prescribe over-the-counter \(OTC\)](#) medications to FFS or managed care

Prescribers are required to comply with section 5042 of the Substance Use–Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act when prescribing controlled substances to MHCP members. Section 5042 of the SUPPORT for Patients and Communities Act requires prescribers to check the prescription drug monitoring program (PDMP), hosted by the Minnesota Board of Pharmacy, before prescribing a controlled substances to an MHCP member. If a prescriber is unable to check the PDMP prior to prescribing a controlled substance, then the prescriber must document the good faith effort, including the reason why they were unable to check the PDMP. Prescribers may be required to submit the documentation of the

failure to check the PDMP prior to prescribing a controlled substance to an MHCP member to DHS upon request.

Eligible Members

MHCP members are eligible for a certain level of pharmacy and [medical supply](#) benefits. Use [MN-ITS Eligibility Request \(270\)](#) to verify member eligibility and [other insurance coverage](#).

Programs with limited prescription drug coverage include the following:

- Emergency Medical Assistance (EMA): see [EMA Service Limitations](#) for services not available
- Program HH [ADAP Drug Formulary](#)

Members eligible for both MHCP and Medicare Part D ([dual eligibility](#)) must select a Medicare Part D plan and receive most of their medications through their selected Medicare Part D plan. MHCP will only cover drugs excluded by law from Medicare Part D coverage that are otherwise covered in the Medical Assistance program.

When a member elects [hospice coverage](#), bill outpatient drugs and medical supplies directly related to the terminal illness to the hospice provider. If members need prescription drugs or medical supplies to treat a preexisting condition outside the scope or purpose of treating the terminal illness, follow the standard billing guidelines to bill for MHCP members.

Covered Services

Covered Drugs

Most decisions regarding MHCP drug coverage are made at the federal level in accordance with federal Omnibus Budget Reconciliation Act (OBRA) Laws of 1990. Those areas left to Minnesota's discretion are described in this chapter in the [Pharmacy Service Limitations](#) section. Please consult these documents for more information on drug coverage:

- [Drug Categories with Limited Coverage](#)
- [Drugs requiring a diagnosis code](#)
- [Prior Authorization Criteria Sheets](#)
- [Preferred Drug List \(PDL\) \(PDF\)](#)

Responsibilities of the [Drug Formulary Committee](#) and [Drug Utilization Review Board](#) are outlined under the definitions section of this chapter.

Minnesota Family Planning Program (MFPP)

The Minnesota Family Planning Program (MFPP) provides family planning services and supplies for women and men ages 15 to 50. See [Pharmacy Services](#), in the [Minnesota Family Planning Program](#) section of the MHCP Provider Manual.

Pharmacist Administered Immunizations and Vaccines

State law allows a pharmacist to administer flu [vaccines](#) to people age ten and older and all other vaccines to people who are age 18 and older under standing orders from a licensed physician or by written protocol with a physician provided that the pharmacist meets the following:

1. The pharmacist is trained in a program approved by the American Council of Pharmaceutical Education for the administration of vaccinations or graduated from a college of pharmacy in 2001 or after.
2. The pharmacist reports the administration of the vaccination to the patient's primary physician or clinic.

State law also requires that providers who administer flu vaccines to children ages 10-18 obtain the flu vaccine from the Minnesota Vaccines for Children (MNVFC) program. MHCP does not pay for immunizations or vaccines that are available through the MNVFC program. The affiliated pharmacy is responsible for [billing](#) MHCP for the pharmacist-administered vaccine and administration fee using the correct CPT codes.

Physician Administered Drugs

Bill drugs that are administered to a patient as part of a clinic or other outpatient visit to MHCP using the appropriate health care common procedural coding system (HCPCS) code(s). Refer to the [Physician and Professional Services](#) section in the MHCP Provider Manual. Do not bill drugs administered during an outpatient visit through the pharmacy point-of-sale (POS) system. MHCP does not cover drugs dispensed by a pharmacy to a member, or shipped to a clinic, for administration in a clinic or other outpatient facility. Pharmacies, including mail order pharmacies, who are providing the drugs for a clinic visit, may not bill MHCP for the drugs dispensed. MHCP may make an exception only if a member has third-party liability and the third-party payer requires that the drugs be billed through the pharmacy benefit.

Pharmacist Prescribing – OTC Medications

The following policies apply to pharmacists prescribing OTC medications:

- OTC medication must be medically necessary and the member must not need a referral to another health care professional.
- The pharmacist must review the member's drug therapy for potential adverse interactions.
- The pharmacist must provide drug counseling consistent with [Minnesota Rules, 6800.0910](#).
- The pharmacy must keep a prescription on file as defined in [Minnesota Statutes, 151.01](#), subdivision 16 for five years. For the purposes of providing OTC drugs to members, the pharmacist is the prescriber who must sign the prescription. Prescriptions may be refilled for up to 12 months as specified in [Minnesota Rules, 6800.3510](#).
- The OTC medication must be dispensed in accordance with all relevant sections of [Minnesota Statutes, 151](#) and [Minnesota Rules, 6800](#).
- Pharmacists must submit claims using the MHCP pharmacy's national provider identifier (NPI) number as the prescriber number.
- For the original fill, the pharmacist must document on the prescription information regarding medical necessity, drug therapy reviews and drug counseling. For refills, the pharmacist must document in the patient's profile any updated information regarding medical necessity, drug therapy reviews and drug counseling.
- The pharmacy must dispense the lesser of the amount of OTC medication needed by the member for a 34-day supply or the entire package of the OTC medication.

To verify if MHCP covers an over-the-counter (OTC) product, use our national drug code search or the Magellan [NDC Search](#).

Pharmacy Service Limitations

The dispensed quantity of a prescribed drug must not exceed a 34-day supply. Exceptions are as follows:

- Contraceptive drugs can be dispensed in up to 365-day supplies,
- The medication is listed on the 90-Day Supply Prescription Drug List,
- If the smallest commercially available package size of a prescription drug would exceed a 34-day supply and the package cannot be divided, MHCP may issue an override for the increased supply,
- If a member's third-party liability coverage requires a 90-day supply, MHCP may issue an override for the copay portion

- Two rescue inhalers, such as albuterol, can be covered for members who need one for home and one for school or work
- Except as noted in this section, an initial or refill prescription for a [maintenance drug](#) must be dispensed in not less than a 30-day supply, but no more than a 34-day supply, unless the drug is clozapine.
- Except as described in this section, or unless the drug is clozapine, the dispensing fee billed by or paid to a particular pharmacy or dispensing physician for a drug is limited to one fee per claim (for example, 34-day supply or up to a 90-day supply). MHCP allows more than one dispensing fee per calendar month for a maintenance drug for a member if the pharmacist or dispensing physician documents a significant chance of over dosage if they dispense a larger quantity of the specific drug, and if the pharmacist or dispensing physician writes this reason on the prescription.

Specialty Pharmaceutical Reimbursement

State law defines specialty pharmaceuticals as those used by a small number of members with complex and chronic diseases that require expensive and challenging drug regimens. The Minnesota Legislature has granted the Minnesota Department of Human Services (DHS) the authority to establish specialty pharmacy reimbursement rates lower than the estimated actual acquisition cost. Refer to the [Specialty Drug List](#) for current specialty pharmacy reimbursement rates (SMAC pricing).

Noncovered Services

Drugs and Costs

The following are not covered:

- Drugs when indicated or used for sexual or erectile dysfunction
- Drugs determined to be less than effective according to the Drug Efficacy Study Implementation (DESI) program by the FDA and drugs identified as identical, related or similar to DESI drugs
- Drugs that are made by manufacturers that do not have a rebate agreement with the Centers for Medicare and Medicaid Services (CMS)
- Drugs that are limited or excluded by the state as allowed by federal law (OBRA 90)
- Drugs dispensed after their expiration date
- The cost of shipping or delivering a drug
- Drugs lost in shipping or delivery
- Drugs that are not prescribed by practitioners licensed to prescribe or that are not within the practitioner's scope of practice
- Herbal or homeopathic products
- Nutritional supplements, except as specifically allowed in this MHCP Provider Manual or in DHS provider updates
- Compounded drugs, except as allowed in this section
- Medical cannabis in any form
- Drugs that have not been approved for marketing by the United States Food and Drug Administration (FDA)

Automatic Refills

MHCP does not allow automatic refills. Prescription refills are not eligible for payment without an explicit request from a member or authorized caregiver for each refill based on continued medical necessity. The pharmacy provider may not contact the member in an effort to initiate a refill, unless it is part of medication therapy management services authorized under [Minnesota Statutes, 256B.0625](#), subdivision 13h.

A nurse or other authorized agent of the facility may initiate a request for refill for a member residing in a skilled nursing facility, group home or assisted living arrangement.

Authorization and Limitation Requirements

Do not submit [prior authorization](#) (PA) requests for the previously listed MHCP noncovered drugs. We cannot grant authorization for noncovered drugs.

We post the updated lists of all drugs requiring prior authorization on the [Drugs requiring transmission of a diagnosis code](#) webpage. We cannot process authorization requests with incomplete information.

Pharmacies and prescribing providers must submit all drug PA requests for outpatient prescription drugs and physician-administered drugs that require authorization to the MHCP prescription drug PA review agent, by phone at 866-205-2818 or by fax at 866-648-4574. The MHCP prescription drug PA review agent call center hours are 8 a.m. to 5:30 p.m., Monday through Friday.

The prescriber should supply the following information when they initiate the PA request by phone or by fax:

- Name of the drug
- Dosage form, the day supply and number of refills
- NPI of the prescribing provider
- Name and phone number of the selected pharmacy
- Supporting documentation of medical necessity, including diagnosis, history of other medications tried and dates and outcome of the other trials for this condition

The MHCP prescription drug PA review agent will make outbound calls to the pharmacy to determine the NDC and pharmacy NPI, as needed.

Pharmacists may dispense up to a 72-hour supply of a covered medication in emergency situations. Contact the MHCP prescription drug PA review agent during regular business hours for a retroactive authorization for the 72-hour supply. However, the MHCP prescription drug PA review agent will not authorize the 72-hour supply if the drug dispensed does not meet the prior authorization criteria. After the pharmacists have dispensed the 72-hour supply of covered medication, pharmacists must obtain a prior authorization for any additional medication to be covered.

DHS has the authority to require authorization for new drugs for 180 days post-market introduction without formulary review.

For drugs dispensed and billed by a pharmacy, the pharmacist is responsible for obtaining the prior authorization number from the MHCP prescription drug PA review agent or from a prescriber who has received it from the MHCP prescription drug PA review agent.

Dispense as Written (DAW) — Brand Necessary

The following prior authorization criteria for payment of brand name medications when a generic is available and a National Average Drug Acquisition Cost for the generic formulation or Maximum Allowable Cost (SMAC) applies:

- Prescribers must obtain authorization for any brand name multiple source drug that has an FDA "AB" rated generic equivalent. Providers must write, in their own handwriting, "DAW-brand medically necessary" on the prescription (a checked DAW box or a typed DAW is not acceptable) and obtain authorization from the MHCP prescription drug PA review agent.
- For prescriptions transmitted electronically, the prescriber may indicate the DAW 1 box using the electronic-prescribing software. However, the prescriber must enter "Brand Medically Necessary" in the "Prescriber note to Pharmacy" field. The pharmacy may not make any changes to the "Prescriber note to Pharmacy" field. If a DAW "1" appears and there is no brand necessary notation, the pharmacist must contact the prescriber for a new prescription.

- List the specific drug you are requesting, including dosage form, strength and directions.
- Document when the member tried the generic and the length of the trial period.
- Specify the medical problem caused by the generic product. Describe the problem in detail. Examples: hives or rash.
- Provide chart documentation of generic failure whenever possible.

Include the name and NPI number of the MHCP prescribing physician, the NDC number, and the NPI number of the dispensing MHCP pharmacy.

When submitting claims, dispensing providers must use the Dispense As Written code 01: Substitution Not Allowed by Provider and the authorization number in the prior authorization field.

An exception to this policy is when a generic drug has a higher net cost to the State than the brand name drug. When this occurs, MHCP may prefer the brand name drug over the generic until the generic product is available at a reduced cost. When DHS prefers the brand to the generic, the prescriber is not required to write "DAW-brand medically necessary" on the prescription or enter "Brand Medically Necessary" in the "Prescriber note to Pharmacy" field.

[Maximum Allowable Cost \(MAC\)](#) price and the National Average Drug Acquisition Cost for the generic formulation limitations do not apply if the prescriber has certified that a particular brand is medically necessary and has met the prior authorization criteria. If a prescription is "DAW-brand necessary," but the prescribed drug manufacturer is not a participant in the Federal Drug Rebate Program, the drug is not covered.

Early-Refill Override and Authorization Requests

Contact the [MHCP Provider Resource Center](#) at 651-431-2700 or 800-366-5411 for an early-refill override in the following situations:

- MHCP may grant a prior authorization for members living in a long-term care facility who receive a pass to leave the facility for a weekend or other short stay away from the facility. Authorization will not be granted for supplies for regularly scheduled absences, such as for work or school
- Listed in the [Pharmacy Early-Refill Overrides](#) indicating the circumstances in which the MHCP Provider Resource Center can grant overrides and authorizations.

The MHCP Provider Resource Center cannot issue a prior authorization or an override for drugs requiring an authorization due to preferred drug list status or clinical criteria.

Billing

Providers are responsible to [coordinate services](#). Refer to the [Billing Policy Overview](#) section of Provider Basics for general billing information.

Pharmacies must use their National Council for Prescription Drug Programs (NCPDP) D.0 POS (point of sale) to bill for prescription drugs. Pharmacies should not bill for drugs administered in a clinic.

Bill [primary](#) health insurance plans and receive payment to the fullest extent possible before billing MHCP. Private health care coverage is primary to MHCP and must be used first and according to the rules of the specific plan. You are responsible for the following:

- Obtain prior authorization for services as required by the primary plan.
- Follow the protocols established by the primary plan (demonstrated use of generic vs. brand name).
- Follow rules of the primary health plan.

Accepting Cash Payments

Do not accept cash payment from a member, or from someone paying on behalf of the member, for any MHCP-covered prescription drug.

A pharmacy may accept cash payment for a noncovered prescription drug if **all** of the following apply:

- The member is not enrolled in the Minnesota Restricted Recipient Program
- The pharmacist has reviewed all available covered alternatives with the member
- The pharmacy obtains an Advance Member Notice of Noncovered Prescription (DHS-3641) (PDF)
- The prescription is not for a controlled substance
- The prescription is not for gabapentin

A pharmacy may accept cash payment for a controlled substance or gabapentin only if the pharmacy has received an Advance Member Notice of Noncovered Prescription (DHS-3641) (PDF) signed by the prescriber and all criteria has been met for a member who is not enrolled in the restricted member program. MHCP will not authorize a pharmacy to accept cash if the medication requires prior authorization or is subject to a quantity limit and the prescriber has not attempted to obtain the prior authorization or authorization to exceed the quantity limit. MHCP will authorize cash payment if the pharmacy and member complete their sections of the DHS-3641 and the prescriber also confirms the following:

- Covered alternatives are not viable options for the member
- The prescriber is aware that he or she is seeking authorization for the pharmacy to charge the member for the medication
- The prescriber is aware of the last time the medication was filled for the member, if applicable
- The prescriber attests that allowing the member to purchase the medication is medically necessary

The prescriber must sign the DHS-3641, send the completed form to the pharmacy and retain a copy of the completed form in the member's medical record. The pharmacy must also retain a copy of the completed form as documentation of approval from MHCP to accept cash payment on the date of service. The completed DHS-3641 is authorization from MHCP to accept cash payment on the date of service; you do not need to submit a copy to MHCP, unless requested. The prescriber or pharmacy does not need to call MHCP for additional authorization.

If a member's MHCP eligibility status is in question and the member offers cash payment for prescriptions, the pharmacy must verify eligibility through MN-ITS or the Eligibility Verification System (EVS). If the person does not have coverage through MHCP, you may charge that person and accept cash as payment. If the member is covered by MHCP, do not accept cash payment from the member for the prescription if he or she is enrolled in the restricted member program.

Point of Sale (POS)

The pharmacy must complete all required fields on the NCPDP claim for the claim to process. Some fields are mandatory while other fields are optional. Optional fields may become required only when reporting situational information, such as coordination of benefits or other payments or adjustments made on a claim.

Billing Coordination of Benefits (COB)

Pharmacies must follow the NCPDP Implementation Guide when submitting claims with coordination of benefits from more than one health plan or provider. Complete all applicable fields correctly and appropriately. Failure to do so will cause denial of claims or recovery of payments.

Refer to the [Minnesota Medicaid Version D.0 NCPDP Payer Sheet \(PDF\) \(DHS-7616\)](#) for specific billing instructions.

Online Claims Screening (ProDUR)

DHS has an online editing and checking system that screens POS claims to check member data and alert pharmacists to potential drug conflicts. This screening process, referred to as Prospective Drug Utilization Review (ProDUR), occurs at the time of POS transmission. Claims in conflict with ProDUR edits are identified by a series of [Drug Utilization Review \(DUR\) conflict, intervention and outcome codes](#) and may be overridden by the pharmacist. The only POS edits that a pharmacist can override are those relating to DUR. A pharmacist may override a ProDUR edit only if there is a valid reason for doing so. Some DUR conflict codes are posted for informational purposes only and allow claims to be paid.

If it is in the member's best medical interest to fill the prescription, the pharmacist may override the denial. Enter the appropriate intervention and outcome codes in the corresponding field and resubmit the claim using POS. To override a denial code, do the following:

- Select a corrective action and enter the related intervention code in the corresponding field.
- Record the result of the corrective action using the appropriate outcome code in the corresponding field.
- Resubmit the claim via POS.

MN-ITS

[MN-ITS](#) is a no-cost online DHS web-based HIPAA-compliant billing, inquiry and communication tool. Computer and internet access are required. For more information about using MN-ITS, refer to the following:

- Refer to the [MN-ITS User Guide for Pharmacy \(PDF\)](#) (NCPDP) electronic submission of pharmacy claims.
- Refer to this [MN-ITS User Guide](#) to bill individual claims for [Equipment and Supplies](#) and services requiring the use of a HCPCS code.
- Refer to [Basic Instructions](#) to submit professional (837P) claims.

Clozapine Case Management Services

Use HCPCS code G9012 for case management service for the specialized care management service required to ensure the safety of the members receiving clozapine. Submit claims using MN-ITS Professional (837P). Clozapine management services consist of the following:

- Ensuring the required white blood cell (WBC) and absolute neutrophil count (ANC) testing for clozapine occurs at a frequency in accordance with the rules set forth in the "black box" warning of the manufacturer's package insert. (Food and Drug Administration labeling requirements)
- Providing and documenting coordination of care with the member's provider(s) for the purposes of:
 - Obtaining blood test results in a timely fashion
 - Ensuring the member receives medications as scheduled or stops therapy when required (and is subsequently and appropriately monitored)
 - Helping transition and coordinate the use of the clozapine formulations and clozapine management services between different care locations
- Meeting the requirements of the drug manufacturers' clozapine registries as well as additional record keeping requirements that include maintaining:
 - Copies of the physician's prescription for clozapine and clozapine management
 - Copies of laboratory results of WBC counts and ANC
 - Signed and dated notes documenting all clozapine management services

Billing for Clozapine Case Management

Refer to the following when billing for clozapine case management:

- Submit claims for clozapine management only as often as a member's WBC count and ANC are tested, even if clozapine is more frequently dispensed. The prescriber determines frequency of WBC and ANC tests.
- MHCP allows a single fee for clozapine management services per one date of service (DOS).
- For members who have weekly WC count and ANC tests, submit claims for one DOS per calendar week.
- For members who have biweekly or monthly WBC and ANC tests, submit claims for one DOS per two weeks or one DOS per month.

Note: The blood test is separately reimbursable for a Medicaid-certified laboratory.

Billing for Administering Injectable Antipsychotics and Vivitrol

Pharmacies can bill for the administration of injectable antipsychotics and for administering the medication Vivitrol for fee-for-service members as medical claims, not pharmacy claims. Pharmacies must bill for the drug component and the administration on an 837P claim form.

Drugs Requiring a Diagnosis

An ICD-10 diagnosis code must be included on claims for certain drugs. The pharmacist must verify the diagnosis with the prescriber before submitting a claim. Review: [Drugs requiring a diagnosis code](#).

Enter the ICD-10 diagnosis code in the Diagnosis Code field on the POS claim or on MN-ITS Interactive Pharmacy (NCPDP) electronic format.

Medical Supplies and Equipment

Pharmacies that dispense medically necessary medical supplies and equipment, such as enteral nutritional products, incontinence products, gauze pads or walkers, must submit the claim to MHCP using the HCPCS code set and, in some cases, a modifier. A modifier further defines the product or service by indicating for example: if the item is new, a rental or being repaired, if the product or service warrants additional pricing, etc.

For diabetic supplies, refer to [Point of sale Diabetic Testing Supply Program](#).

Contact your software vendor or billing intermediary for their specific billing instructions for medical supplies and equipment.

Use [MN-ITS 837P](#) to bill for medical supplies and equipment. Refer to the [MN-ITS User Guide](#) for Durable Medical Equipment (DME), Medical Supplies, Prosthetic and Orthotic Service for billing instructions.

Submit authorization requests with the required documentation to the [authorization](#) medical review agent. Submit authorization requests through [MN-ITS](#), fax or U.S. Postal Service.

Refer to [Equipment & Supplies](#) in the MHCP Provider Manual for coverage criteria and billing instructions.

National Drug Codes (NDC)

All pharmacy claims submitted to DHS must identify the 11-digit NDC printed on the stock container in which the drug was purchased.

A pharmacy may not dispense a repackaged drug and then bill DHS using the original manufacturer's NDC.

Prescribing Provider NPI Numbers

All pharmacy claims must include the National Provider Identifier (NPI) of the prescribing provider, or in certain rare situations, an alternate NPI as follows:

- Use the NPI of an MHCP-enrolled supervising physician if the NPI of the prescribing provider is not available because they are an intern or resident.
- Use the NPI of the dispensing pharmacy as the prescribing provider when the pharmacist has prescribed OTC medications.

Enter the prescribing provider NPI or the appropriate alternate NPI in the corresponding POS field or on MN-ITS Interactive Pharmacy (NCPDP) electronic format.

MHCP-enrolled prescribing provider NPIs are in the NPI and UPMI list published on the secure MN-ITS Interactive Welcome page. (A MN-ITS login is required.)

Reversal of Claims

Pharmacy providers should not reverse claims on POS for members who have had a change in their spenddown amount, program coverage or eligibility. MHCP will make the adjustment automatically.

If a replacement claim does not appear on your next remittance advice (RA) within two weeks of the spenddown or eligibility change, contact the [Provider Resource Center](#) at 651-431-2700 or 800-366-5411.

Drug Formulary Committee

The Drug Formulary Committee (DFC) reviews and recommends which drugs require authorization. The DFC also reviews over the counter (OTC) drugs for which coverage is optional under federal and state law (for possible inclusion in the Medicaid fee-for-service formulary).

Additional information about the Drug Formulary Committee is available on the [committee's webpage](#).

Drug Utilization Review Board

The Drug Utilization Review (DUR) Board selects specific drug entities or therapeutic classes to target for provider and member educational interventions, and provides guidelines for their use.

Additional information about the Drug Utilization Review Board is available on the [board's webpage](#).

Definitions

Actual Acquisition Cost: The commissioner estimates the Actual Acquisition Cost as the National Average Drug Acquisition Cost. For multisource drugs, the Actual Acquisition Cost is the National Average Drug Acquisition Cost of the generic drug.

Compounded Prescription: A prescription prepared in accordance with [Minnesota Rules, 6800.3100](#).

Dispensing Fee: The amount paid for all the pharmacy service, equipment, and supplies associated with dispensing a prescribed drug to a member.

Drug Efficacy Study Implementation (DESI) Drugs: Federal Food and Drug Administration (FDA) designations related to "substantial evidence" of effectiveness. Drug manufacturers introduced DESI drugs to the market between 1937 and 1962, during which time manufacturers did not have to show that their products were effective. Federal Medicaid statutes prohibit state Medicaid agencies from paying for these drugs.

Dual Eligibility: Individuals entitled to Medicare Part A/Part B and eligible for some form of Medicaid benefit.

Federal Drug Rebate Program: Established by the federal statute referred to as OBRA 90, requires manufacturers to sign a rebate agreement with the federal Centers for Medicare and Medicaid Services (CMS) in order to have their products covered for Medicaid members. State Medicaid agencies administer the program and collect rebates from the manufacturers.

Generically Equivalent Drug: A drug product that, in the pharmacist's professional judgment, is safely interchangeable with the prescribed drug.

Legend drug: A drug that is required by federal law to bear one of the following statements: "Caution: Federal law prohibits dispensing without prescription" or "Rx only."

Maintenance Drug: A prescribed drug that a member uses for a period greater than two consecutive months.

Maximum Allowable Cost (MAC): The highest drug ingredient reimbursement that DHS allows for drugs designated by the Centers for Medicare and Medicaid Services (CMS) or by DHS as multisource.

National Average Drug Acquisition Cost (NADAC): Prices are determined based on CMS's monthly surveys of retail pharmacies to determine average acquisition cost to covered outpatient drugs.

Pharmacist: An individual with a currently valid license issued by a state board of pharmacy to practice pharmacy.

Pharmacy: An established place of business, licensed by a state board of pharmacy, in which prescriptions, drugs, medicines, chemicals and poisons are prepared, compounded, dispensed, vended or sold to or for the use of patients and from which related clinical pharmacy services are delivered.

Pharmacy Service: The dispensing of drugs, counseling, drug utilization and regimen review and other activities as described in [Minnesota Statutes, 151.01](#), subdivision 27, or as performed by a dispensing physician.

Point of Sale (POS): Software used to submit a pharmacy claim

Prescribed Drug: A drug as defined in [Minnesota Statutes, 151.01](#), subdivision 5. Ordered by a practitioner who is licensed to prescribe.

Usual and Customary: The Usual and Customary price means the lowest price charged to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or the pharmacy chain.

Legal References

[Minnesota Statutes, 151](#) (Pharmacy)

[Minnesota Statutes, 151.01](#), subdivisions 5, 27 and 49 (Definitions)

[Minnesota Statutes, 256B.0625](#), subdivision 55 (Payment for noncovered services.)

[Minnesota Rules, 6800](#) (Pharmacies and Pharmacists)

[Minnesota Rules, 6800.2700](#) (Return of Drugs and Devices)

[Minnesota Rules, 6800.3100](#) (Compounding and Dispensing)

[Minnesota Rules, 9505.0175](#), subpart 49 (Usual and customary)

[Minnesota Rules, 9505.0340](#) (Pharmacy Services)

[Minnesota Rules, 9505.5000 to 9505.5105](#) (Prior Authorization Applicability)

[Code of Federal Regulations, title 42, section 440.120\(a\)](#) (Prescribed drugs, dentures, prosthetic devices, and eyeglasses)

[Title XIX, Section 1927](#) of the Social Security Act (Payment for Covered Outpatient Drugs)