

Provider Insider

Alabama Medicaid Bulletin

October 2010

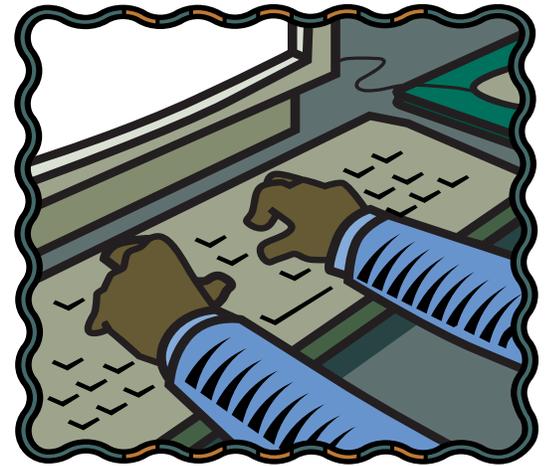
The checkwrite schedule is as follows:

10/08/10 10/22/10 11/05/10 11/19/10 12/03/10 12/17/10

As always, the release of direct deposits and checks depends on the availability of funds.

National Correct Coding Initiative (NCCI) Edits

The Patient Protection and Affordable Care Act (Public Law 111-148), Section 6507 requires that State Medicaid agencies implement National Correct Coding Initiatives (NCCI) edits into their claims processing systems. While the law specifies the effective date as October 1, 2010, Alabama Medicaid is anticipating actual implementation in November due to the programming and system testing required. CMS has not provided guidance yet on whether states will be required to reprocess claims which were paid between October 1, 2010 and the actual implementation date. These edits are intended to reduce coding errors because of clerical mistakes and incorrect use of codes or their units of service. Therefore, in the coming months, the Alabama Medicaid Agency will implement the following edits:



- (1) NCCI procedure to procedure edits for practitioner* and Ambulatory Surgical Center (ASC) claims
- (2) NCCI procedure to procedure edits for outpatient hospital (including emergency department and observation) claims
- (3) Medically Unlikely Edits (MUE) units of services for practitioner* and ASC claims
- (4) MUE units of service for outpatient hospital (including emergency department and observation) claims
- (5) MUE units of service for DME claims

*Practitioners are defined as: all practitioners, hospitals, providers, or suppliers eligible to bill the relevant HCPCS/CPT codes pursuant to applicable portions of the Social Security Act of 1965, and the Code of Federal Regulations

NCCI procedure to procedure edits are coding edits, and are based on coding principles. The coding principles are explained in the National Correct Coding Initiative Policy Manual for Medicare Services available on the CMS NCCI website at <http://www.cms.gov>.

Educational tools are available on the CMS NCCI website at <http://www.cms.gov/nationalcorrectcodinedited>. The Alabama Medicaid Agency will notify the providers of the actual date the NCCI edits are to be implemented and if any reprocessing will be required.

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Pass It On!

Everyone needs to know the latest about Medicaid.

Be sure to route this to:

- Office Manager
- Billing Dept.
- Medical/Clinical Professionals
- Other _____

New CDC Recommendations for Chlamydia Screening

The Center for Disease Control recommends yearly Chlamydia testing of all sexually active women under 25 years of age, older women with risk factors for chlamydial infections (those who have a new sex partner or multiple sex partners), and all pregnant women. An appropriate sexual risk assessment by a health care provider should always be conducted and may indicate more frequent screening for some women. See <http://www.cdc.gov/std/chlamydia/stdfact-chlamydia.htm> for further information.

Clarification for Clinical Psychologist Billing

The Alabama Medicaid Agency has received numerous questions on policy changes that were published in the July 2010 updates for Chapter 34 of the billing Provider Manual. A document with frequently asked questions has been posted on the Agency's website under Programs/ Mental Health Services/ Clinical Psychologists. Questions regarding this notice should be directed to Karen Smith at (334) 353-4945. The following changes are effective October 1, 2010 to the following E & M codes:

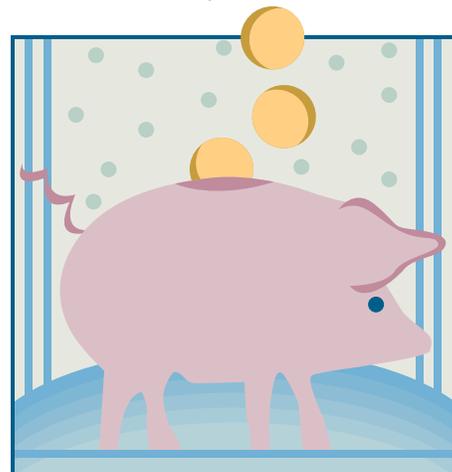
- 90805, 90807, 90809, 90811, 09813, 90815, 90817, 09819, 90822, 90824, 90827, 90829 will no longer be able to be billed to Medicaid by the psychologist or allied mental health professionals.
- Code 90887 will no longer be able to be billed to Medicaid by the psychologist or allied mental health professionals.

REMINDER

This is a reminder that the annual ICD-9-CM update will be effective for dates of service on or after October 1, 2010.

Alabama Medicaid Surety Bond Requirement Update

The Alabama Medicaid DME and Medical Supply Providers will be required to have a \$50,000.⁰⁰ Surety Bond for each NPI by October 1, 2010. All Alabama Medicaid DME Surety Bonds must be received by the Alabama Medicaid Agency on or before October 31, 2010. DME providers that are not exempt from the Alabama Medicaid Surety Bond requirement who have not submitted their Medicaid Surety Bonds by October 31, 2010, will be terminated from the Medicaid Program. A legible copy of the Surety Bond may be faxed to (334) 215-4298, Attention Mr. Jeff Kochik. Surety Bonds may be sent certified mail to the address listed below:



HP Provider Enrollment
301 Technacenter Drive
Montgomery, Alabama, 36117

A DME and Medical Supply business is exempt from surety bond requirements if the DME and Medical supply business:

- (a) Is a DME supplier who has been a Medicaid provider for five years or longer with no record of impropriety, and whose refund requests have been repaid as requested; or
- (b) Is a government-operated Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS); or
- (c) Is a state-licensed orthotic and prosthetic personnel in private practice making custom-made orthotics and prosthetics; or
- (d) Are physicians and non-physician practitioners, as defined in section 1842(b)(18) of the Social Security Act; or
- (e) Are physical and occupational therapists in private practice; or
- (f) Are providers who received \$100,000 or less Medicaid payment in the past two calendar years; or
- (g) Are pharmacy providers; or
- (h) Are phototherapy providers who only provide phototherapy services for infants; or
- (i) Are Federally Qualified Health Centers.

DME suppliers who have been a Medicaid provider for five years or longer who are initially exempted from the Medicaid Surety Bond requirement as referenced in Rule (12)(a) of Administrative Code, Chapter 13, will be subject to the Surety Bond requirement if the Medicaid Agency identifies a consistent problem with improper billing or fraudulent activity.

DME providers requesting initial enrollment as an Alabama Medicaid provider will be required to have a \$50,000.⁰⁰ Surety Bond for three years before qualifying for the \$100,000.⁰⁰ two-year exemption. If you have additional questions or need further clarification, please contact Ida Gray at (334) 353-4753.

Update to Diabetic Supply Coverage Policy

Effective for dates of service October 1, 2010, and thereafter, Alabama Medicaid will change the current diabetic supply policy as follows:

Non-Insulin Dependent:

Claims for non-insulin dependent recipients **must** be filed **WITHOUT** using a modifier.

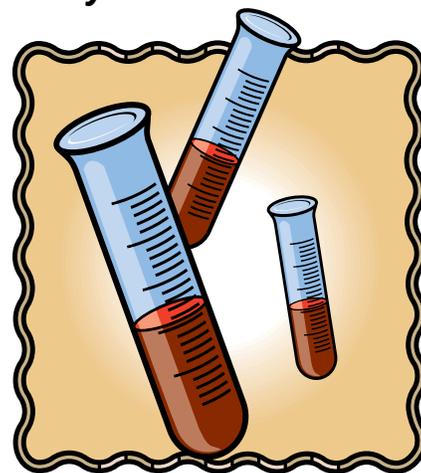
- A4253 - Blood glucose test or reagent strips for home blood glucose monitor, per box of 50, is limited to **two** boxes every three months.
- A4259 - Lancets, per box of 100, is limited to **one** box every three months.

Insulin Dependent:

Claims for insulin dependent recipients **must** be filed **WITH modifier U6**.

- A4253-U6 - Blood glucose test or reagent strips for home blood glucose monitor, per box of 50, is limited to **three** boxes per month for insulin dependent recipients **age 21 and above**.
- A4253-U6 - Blood glucose test or reagent strips for home blood glucose monitor, per box of 50, is limited to **four** boxes per month for insulin dependent recipients **age 0-20**.
- A4259-U6 - Lancets, per box of 100, will be limited to two boxes every month regardless of age.

If recipients require additional strips or lancets above Medicaid established limits, providers must submit peer reviewed literature justifying the need. If you have additional questions or need further clarification, please contact Ida Gray at (334) 353-4753.



NDC Number is Now Mandatory on ALL Physician Administered Drug Claims

Effective October 1, 2010, the NDC number will be mandatory on ALL physician-administered drugs in the following ranges: J0000 – J9999, S0000 – S9999, and Q0000 – Q9999. Physician-administered drugs include any covered outpatient drug billed either electronically or on paper CMS-1500 or UB-04 claim forms. NDC's will be required on Medicare crossover claims for all applicable HCPCS codes on the list. The 11-digit NDC submitted must be the actual NDC number on the package or container from which the medicine was administered. This requirement applies to:

- All fee-for-service providers who bill physician-administered drug codes
- HCPCS codes in the ranges J0000 – J9999, S0000 – S9999, and Q0000 – Q9999
- Both electronic and paper submissions

On page 4 of the Provider Insider, a FAQ is available for more information.



Attention All Nursing Home Providers

Effective with the September 2010 nursing home retrospective review (i.e., audit), approval letters will no longer be sent by the Agency or its designee (i.e., contractor). Providers will receive an acknowledgment letter that the requested documents for the review were received. Denial letters will continue to be sent, as appropriate.

In addition, per Chapter 26, Nursing Facility, of the Billing Manual, "Review of Medicaid Residents: Medicaid or its designated agent will perform a review of Medicaid nursing facility/ICF/MR facility residents' records to determine appropriateness of admission."

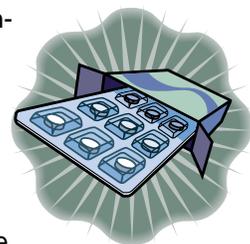
It has come to the attention of the Agency that many of the records submitted by nursing facilities are incomplete and/or inaccurate. The Agency's contractor, the Alabama Quality Assurance Foundation (AQAF) has indicated that additional information must be requested several times from facilities.

Please be aware that if the nursing facility does not provide the requested information by the requested time frame, a letter of denial may be sent to the facility and may result in recoupment. The Agency and its contractor would like timely review of these records and appreciate the cooperation of all nursing facilities to achieve this.



NDC Number is Now Mandatory on ALL Physician Administered Drug Claims

The Deficit Reduction Act of 2005 (DRA) requires that all state Medicaid programs require the submission of National Drug Codes (NDC's) on claims submitted with HCPCS codes for physician-administered drugs in an outpatient setting. In 2008, the Alabama Medicaid Agency began requiring the NDC number for the top 20+ physician-administered multiple source drugs. Effective October 1, 2010, the NDC number will be mandatory on physician-administered drugs in the following ranges: J0000-J9999, S0000-S9999 and Q0000-Q9999. Providers are required to submit their claims with the exact NDC that appears on the product administered on HCPCS-1500 or UB-04 claims. The NDC is found on the medication's packaging and must be submitted in the 5digit-4digit-2digit format. As this process is to facilitate Medicaid drug rebates from manufactures, providers are required to utilize drugs manufactured by companies who hold a federal rebate agreement. These NDCs will be the only ones Medicaid will cover for payment.



Please see the following section for answers to the most common questions. If you have further questions or concerns about this information, please contact Provider Assistance Center at 1-800-688-7989.

NDC and HCPCS Frequently Asked Questions

1 Why do I have to bill with National Drug Codes (NDCs) in addition to Healthcare Common Procedure Coding System (HCPCS) codes?

The Deficit Reduction Act of 2005 (DRA) includes provisions about the state collection of data for the purpose of collecting Medicaid drug rebates from drug manufacturers for physician-administered drugs. Since there are often several NDCs linked to a single HCPCS code, the Centers for Medicare & Medicaid Services (CMS) deems that the use of NDC numbers is critical to correctly identify the drug and manufacturer in order to invoice and collect the rebates.

2 Which providers are affected by this requirement?

All fee-for-service providers who bill physician-administered HCPCS drug codes are affected. Physician-administered drugs include any covered outpatient drug billed either electronically or on paper CMS-1500 or UB-04 claim forms.

3 What is the Drug Rebate Program?

The Medicaid Drug Rebate Program was created by the Omnibus Budget Reconciliation Act of 1990 (OBRA '90) and became effective 1/1/1991. The law requires that drug manufacturers enter into an agreement with CMS to provide rebates for their drug products that are covered by Medicaid. Manufacturers that do not sign an agreement with CMS are not eligible for federal Medicaid coverage of their products. Outpatient Medicaid pharmacy providers bill with NDCs and Alabama Medicaid has received rebates for these claims since 1991. The DRA has now expanded the rebate requirement to physician-administered drugs.

4 What is an NDC?

The National Drug Code (NDC) is a universal number that identifies a drug. The NDC number consists of 11 digits in a 5-4-2 format. The first five digits identify the manufacturer of the drug and are assigned by the Food and Drug Administration. The remaining digits are assigned by the manufacturer and identify the specific product and package size. Some packages will display less than 11 digits, but leading zeroes can be assumed and need to be used when billing.

For example:

XXXX-XXXX-XX=0XXXX-XXXX-XX
XXXXX-XXX-XX=XXXXX-0XXX-XX
XXXXX-XXXX-X=XXXXX-XXXX-0X

The NDC is found on the drug container (i.e., vial, bottle, tube). The NDC submitted must be the actual NDC number on the package or container from which the medication was administered. Do not bill for one manufacturers product and dispense another. It is considered a fraudulent billing practice to bill using an NDC other than the one administered. Please note: NDCs listed above have hyphens between the segments for easier visualization. When submitting NDCs on claims, submit the 11-digit NDC number with no hyphens or spaces between segments.

NDC and HCPCS Frequently Asked Questions

5 Does the drug administered and billed to Medicaid with an NDC have to be a “rebatable” drug?

Yes. For products to be eligible for coverage by Medicaid, manufacturers must first sign a rebate agreement with CMS.

6 How do I know if a drug is rebatable?

You may refer to the CMS website http://www.cms.gov/MedicaidDrugRebateProgram/10_DrugComContactInfo.asp to determine if an NDC is manufactured by a company that participates in the Federal Drug Rebate Program.

7 Will my claim be denied or rejected if the drug is non-rebatable?

Yes.

8 Will my claim be denied or rejected if I don't include the NDC?

Claims without the proper NDC qualifier and NDC that are not currently included in the Medicaid Physician-Administered multi-source Top 20+ HCPCS drug listing will deny beginning October 1, 2010. Claims with a date of service prior to this will pay, but an informational denial code will be posted on your Remittance Advice. Claims containing HCPCS from the Top 20+ HCPCS drug list will continue to deny if the NDC is not included.

9 If I am not sure which NDC was used, can I pick another NDC under the J Code and bill with it?

No. The NDC submitted must be the actual NDC number on the package or container from which the medication was administered.

10 Do drugs that are billed through a hospital outpatient department require an NDC?

Yes. Effective September 2008, Alabama Medicaid began requiring outpatient hospital departments to submit NDC numbers to accompany claims for the top 20 multi-source drugs that are billed separately on institutional claim forms that are identified on the claim with a Level II HCPCS code. Effective October 1, 2010, this will expand to all physician-administered drugs.

11 My clinic/hospital participates in the 340B program. Do I need to submit NDC codes for drug claims?

CMS has stated that this provision of the DRA does not apply to 340B drugs billed to Medicaid programs at the acquisition cost of the drug.

12 Do all J-code claims (or other drug codes) require an NDC?

No. For example, HCPCS codes considered a device do not have an NDC number. Examples are J7321, J7323, J7324 and J7325. To identify if a product is a drug, look for these three items: NDC- the package or container that held the drug would have an NDC on it; Lot and Expiration Date- All drugs have both a lot number and expiration date on the vial or container; Legend- This refers to statements such as, “Caution; Federal law prohibits dispensing without prescription, “Rx only” or similar words. All prescription drugs have these types of statements.

13 Do radiopharmaceuticals or contrast media require an NDC?

Not at this time.

14 Do vaccines/immunizations require an NDC?

No. Vaccines are not included in the rebate requirements.

15 Are Medicare claims included in the NDC requirement?

Yes. Because the state may pay Medicare coinsurance and deductibles, claims for recipients that are dually eligible for Medicare require NDCs with the HCPCS codes.



NDC and HCPCS Frequently Asked Questions

16 Should I bill the HCPCS code and NDC of a drug if I did not provide the drug, but just administered it?

No. For example, if the patient has a prescription filled and brings the drug into the office to have the physician administer it, the drug may not be billed by the physician. The physician should only bill for the administration of the drug. The retail pharmacy would have already billed for the drug.

17 How do I bill for a drug when only a partial vial was administered?

If the drug is packaged in a multi-dose vial (can be used for more than one patient), then only the units administered should be billed to Medicaid.

If the drug is packaged in a single-dose vial that cannot be used for multiple injections, then the whole vial may be billed to Medicaid.

18 Will Alabama Medicaid post a procedure code/NDC code crosswalk?

No. Alabama Medicaid will not be doing this because rebates are dependent upon correct NDCs being used. The actual NDC on the container that is administered is the one to be billed.

19 I have heard that only single-source drugs and 20 multiple source drugs will require NDCs. Can I just submit NDCs for just those drugs?

No. At this time, states are mandated to submit rebates on 20 drugs, but they are encouraged to expand their rebate program beyond that and Alabama Medicaid intends to do so. All physician-administered medications will require submission of NDCs. Please Note: Some products not traditionally considered drugs are included in those mandated for rebate (for example, J7050 Infusion, normal saline, 250 cc), so do not overlook these products when submitting NDCs.

Resources

For details on the Deficit Reduction Act (DRA):

http://www.cms.gov/Reimbursement10_MedicaidPrescriptionDrugsundertheDRA.asp

CMS ASP pricing and HCPCS/NDC crosswalk:

http://www.cms.gov/McrPartBDrugAvgSalesPrice/01a19_2010aspfiles.asp#TopOfPage

Medicaid Drug rebate program:

<http://www.cms.gov/MedicaidDrugRebateProgram/>

Alabama Provider Insider Newsletters, July 2008, April 2009, April 2010:

<http://www.medicaid.alabama.gov/news/newsletters.aspx>

Provider Alerts dated January 12, 2010 and August 3, 2010:

http://www.medicaid.alabama.gov/news/provider_alerts.aspx?tab=2

Drug Manufacturers with federal rebate agreement:

http://www.medicaid.alabama.gov/programs/pharmacy_svcs/resources_providers.aspx?tab=4

Provider Billing Manual:

http://www.medicaid.alabama.gov/billing/provider_manual.6-10.aspx

Other resource for HCPCS codes and billing:

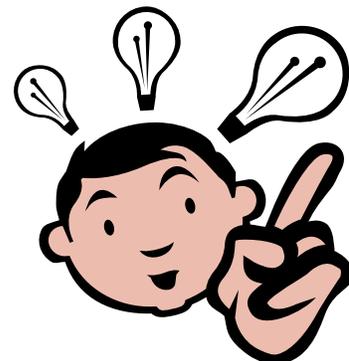
<https://www.dmepdac.com/crosswalk/index.html>

Automated Voice Response System (AVRS), to check the status of an NDC:

1-800-727-7848

HP Provider Assistance Center:

1-800-688-7989



HP Provider Representatives

G R O U P 1



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Nurse Practitioners
Podiatrists
Chiropractors
Independent Labs
Free Standing Radiology
CRNA
EPSDT (Physicians)
Dental
Physicians
Optometric
(Optometrists and Opticians)



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G R O U P 2

Rehabilitation Services
Home Bound Waiver
Therapy Services (OT, PT, ST)
Children's Specialty Clinics
Prenatal Clinics
Maternity Care
Hearing Services
Mental Health/Mental Retardation
MR/DD Waiver
Ambulance
FQHC



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Public Health
Elderly and Disabled Waiver
Home and Community
Based Services
EPSDT
Family Planning
Prenatal
Preventive Education
Rural Health Clinic
Commission on Aging
DME
Nurse Midwives

G R O U P 3

Ambulatory Surgical Centers
ESWL
Home Health
Hospice
Hospital
Nursing Home



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Personal Care Services
PEC
Private Duty Nursing
Renal Dialysis Facilities
Swing Bed

State Fiscal Year 2010-2011 Checkwrite Schedule

10/08/10	01/07/11	04/01/11	07/08/11
10/22/10	01/21/11	04/15/11	07/22/11
11/05/10	02/04/11	05/06/11	08/05/11
11/19/10	02/18/11	05/20/11	08/19/11
12/03/10	03/04/11	06/03/11	09/09/11
12/17/10	03/18/11	06/17/11	09/16/11

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