



Florida Medicaid

Prescribed Drugs Services Coverage Policy

**Agency for Health Care Administration
December 2017**



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1.0 Introduction

1.1 Description

This policy describes Florida Medicaid's coverage of outpatient prescription drugs.

1.1.1 Florida Medicaid Policies

This policy is intended for use by providers that render prescribed drug services to eligible Florida Medicaid recipients. It must be used in conjunction with Florida Medicaid's General Policies (as defined in section 1.3) and any applicable service-specific and claim reimbursement policies with which providers must comply.

Note: All Florida Medicaid policies are promulgated in Rule Division 59G, Florida Administrative Code (F.A.C.). Coverage policies are available on the Agency for Health Care Administration's (AHCA) Web site at <http://ahca.myflorida.com/Medicaid/review/index.shtml>.

1.1.2 Statewide Medicaid Managed Care Plans

Florida Medicaid managed care plans must comply with the service coverage requirements outlined in this policy, unless otherwise specified in the AHCA contract with the Florida Medicaid managed care plan. The provision of services to recipients enrolled in a Florida Medicaid managed care plan must not be subject to more stringent service coverage limits than specified in Florida Medicaid policies.

1.2 Legal Authority

Prescribed drug services are authorized by the following:

- Title XIX of the Social Security Act (SSA)
- Title 42, Code of Federal Regulations (CFR), Chapter IV
- Sections 409.906, 409.908, and 409.912, Florida Statutes (F.S.)
- Rule 59G-4.250, F.A.C.

1.3 Definitions

The following definitions are applicable to this policy. For additional definitions that are applicable to all sections of Rule Division 59G, F.A.C., please refer to the Florida Medicaid definitions policy.

1.3.1 Claim Reimbursement Policy

A policy document found in Rule Division 59G, F.A.C. that provides instructions on how to bill for services.

1.3.2 Coverage and Limitations Handbook or Coverage Policy

A policy document found in Rule Division 59G, F.A.C. that contains coverage information about a Florida Medicaid service.

1.3.3 General Policies

A collective term for Florida Medicaid policy documents found in Rule Chapter 59G-1, F.A.C. containing information that applies to all providers (unless otherwise specified) rendering services to recipients.

1.3.4 Medically Necessary/Medical Necessity

As defined in Rule 59G-1.010, F.A.C.

1.3.5 Pharmacy Benefits Manager (PBM)

Organization contracted with the Florida Medicaid fiscal agent that supports all pharmacy claims processing activities including call center support, prior authorization, and prospective and retrospective drug utilization review.

1.3.6 Preferred Drug List (PDL)

A list of preferred drugs which have been reviewed by the Medicaid Pharmaceutical and Therapeutics Committee and are adopted by AHCA.

1.3.7 Provider

The term used to describe any entity, facility, person, or group enrolled with AHCA to furnish services under the Florida Medicaid program in accordance with the provider agreement.

1.3.8 Recipient

For the purpose of this coverage policy, the term used to describe an individual enrolled in Florida Medicaid (including managed care plan enrollees).

2.0 Eligible Recipient

2.1 General Criteria

An eligible recipient must be enrolled in the Florida Medicaid program on the date of service and meet the criteria provided in this policy.

Provider(s) must verify each recipient's eligibility each time a service is rendered.

2.2 Who Can Receive

Florida Medicaid recipients requiring medically necessary prescribed drug services. Some services may be subject to additional coverage criteria as specified in section 4.0.

2.3 Coinsurance and Copayments

There is no coinsurance or copayment for this service in accordance with section 409.9081, F.S. For more information on copayment and coinsurance requirements and exemptions, please refer to Florida Medicaid's General Policies on copayment and coinsurance.

3.0 Eligible Provider

3.1 General Criteria

Providers must meet the qualifications specified in this policy in order to be reimbursed for Florida Medicaid prescribed drugs services.

3.2 Who Can Provide

Services must be rendered by one of the following:

- Pharmacies permitted by the Florida Department of Health in accordance with Chapter 465, F.S.
- Practitioners licensed in accordance with Chapter 465, 458, or 459, F.S.

4.0 Coverage Information

4.1 General Criteria

Florida Medicaid covers services that meet all of the following:

- Are determined medically necessary
- Do not duplicate another service
- Meet the criteria as specified in this policy

4.2 Specific Criteria

Florida Medicaid covers up to a 34-day supply of drugs, per prescription, in accordance with section 409.912, F.S., or as specified in this policy when prescribed by a licensed practitioner, for the following:

- Drugs on the PDL and published on the AHCA Web site at http://www.ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/pharmacy_policy/index.shtml.
- Drugs prescribed for off-label use when included in the compendia referenced in section 1927(k)(6) of the SSA.

- Drugs that are not on the PDL.

The Agency for Health Care Administration determines the feasibility of adding a drug recommended by the Pharmaceutical and Therapeutics Committee to the PDL based on an assessment of the drug's cost-effectiveness, clinical efficacy, and safety.

4.2.1 Additional Day Supply

Florida Medicaid covers more than a 34-day supply of prescribed drugs as follows:

- Up to a 100-day supply of prescribed drugs, per prescription, when a drug has been designated by AHCA as a maintenance drug and published on the AHCA Web site at http://www.ahca.myflorida.com/medicaid/Policy_and_Quality/Policy/pharmacy_policy/index.shtml.
- When the minimum available package size of a prescribed drug exceeds a 34-day supply.

4.2.2 Administered Drugs

Florida Medicaid covers prescribed drugs up to the quantity indicated on the applicable fee schedule(s) incorporated by reference in Rule 59G-4.002, F.A.C., or on the PDL, per prescription, when prescribed and administered by a licensed practitioner.

4.2.3 Compound Drugs

Florida Medicaid covers prescribed drugs that combine two or more drugs when all of the following are met:

- At least one of the drugs in the compound drug is covered by Florida Medicaid.
- The compounded drug is not otherwise commercially available.
- The drug is compounded as prescribed for the recipient to treat his or her specific condition.

4.2.4 Emergency Supply

Florida Medicaid covers up to two 72-hour emergency supplies of prescribed drugs within 30 consecutive days, per prescription with the same generic sequence number, when dispensed in accordance with section 409.912, F.S. and Rule 59G-4.255, F.A.C.

4.2.5 Immunizations and Vaccines

4.2.5.1 Recipients Under The Age of 21 Years

Florida Medicaid covers immunizations and vaccines in accordance with the applicable fee schedule(s) incorporated by reference in Rule 59G-4.002, F.A.C., as follows:

- The administration of vaccines for recipients ages 18 years and under.
- The administration and cost of vaccines for recipients ages 19 through 20 years.

4.2.5.2 Nursing Facility Residents

Florida Medicaid covers vaccines for recipients residing in a nursing facility in accordance with Rule 59G-4.251, F.A.C., as follows:

- One influenza vaccine every year, per recipient
- One pneumococcal vaccine every five years, per recipient
- One shingles vaccine, per recipient age 50 years and older

4.2.6 Mail Order Pharmacies

Florida Medicaid covers mail order prescribed drug services when both of the following are met:

- The provider replaces lost shipments at no additional cost to a recipient or Florida Medicaid.
- The services present no additional cost to a recipient or Florida Medicaid.

Florida Medicaid covers mail order services from out-of-state pharmacies that are licensed in Florida in accordance with section 465.0156, F.S. when the pharmacy is the only provider for a covered Florida Medicaid drug product due to product distribution restrictions.

4.2.7 Over-the-Counter Drugs

Florida Medicaid covers over-the-counter drugs listed on the PDL when prescribed by a licensed practitioner.

4.3 Early and Periodic Screening, Diagnosis, and Treatment

As required by federal law, Florida Medicaid provides services to eligible recipients under the age of 21 years, if such services are medically necessary to correct or ameliorate a defect, a condition, or a physical or mental illness. Included are diagnostic services, treatment, equipment, supplies, and other measures described in section 1905(a) of the SSA, codified in Title 42 of the United States Code 1396d(a). As such, services for recipients under the age of 21 years exceeding the coverage described within this policy or the associated fee schedule may be approved, if medically necessary. For more information, please refer to Florida Medicaid's General Policies on authorization requirements.

5.0 Exclusion

5.1 General Non-Covered Criteria

Services related to this policy are not covered when any of the following apply:

- The service does not meet the medical necessity criteria listed in section 1.0
- The recipient does not meet the eligibility requirements listed in section 2.0
- The service unnecessarily duplicates another provider's service

5.2 Specific Non-Covered Criteria

Florida Medicaid does not cover the following as part of this service benefit:

- Automatic fills
- Compound drugs as partial refills
- Drugs classified as ineffective by the United States (U.S.) Food and Drug Administration's (FDA): Drugs Efficacy Study Implementation and Identical, Related, and Similar Drugs
- Drugs for cosmetic use
- Drugs from an entity that does not have a rebate agreement with the Centers for Medicare and Medicaid Services
- Drugs from an entity not licensed in accordance with Chapter 499, F.S.
- Drugs that are included in, or reimbursed as, part of another Florida Medicaid service
- Drugs that are not approved by the U.S. FDA
- Drugs used to treat infertility or enhance fertility
- Erectile dysfunction drugs, unless prescribed for a condition other than sexual or erectile dysfunction as approved by the U.S. FDA
- Hair growth restorers
- Intradialytic parenteral nutrition administered during a dialysis session
- Replacement services due to lost shipments or provider error
- Total parenteral nutrition billed as separate components versus a compounded product
- Weight control medications

6.0 Documentation

6.1 General Criteria

For information on general documentation requirements, please refer to Florida Medicaid's General Policies on recordkeeping and documentation.

6.2 Specific Criteria

Providers must maintain the following documentation for five years:

- Purchase acquisition records for prescribed drugs provided to Florida Medicaid recipients.
- Drug dispensing reports that meet both of the following:
 - Are organized by National Drug Code (NDC)
 - Specify the total net number of pharmaceutical units dispensed

Prescribers must use a counterfeit-proof prescription pad produced by an AHCA-approved vendor when writing hard copy prescriptions, in accordance with section 409.912, F.S. Specifications and a list of approved vendors maintained by Medicaid Program Integrity can be found on the Florida Medicaid fiscal agent's Web site at <http://portal.flmmis.com/FLPublic>.

7.0 Authorization

7.1 General Criteria

The authorization information described below is applicable to the fee-for-service delivery system. For more information on general authorization requirements, please refer to Florida Medicaid's General Policies on authorization requirements.

7.2 Specific Criteria

Providers must obtain authorization from the PBM prior to dispensing a drug when indicated on the PDL, and for the following:

- Changes in drug therapy, or for an increased dosage necessitating an early refill
- When the drug is not on the PDL, except for the following:
 - Contraceptives
 - Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) drugs, unless the drug requires drug resistance or tropism test results prior to dispensing

8.0 Reimbursement

8.1 General Criteria

The reimbursement information below is applicable to the fee-for-service delivery system.

8.2 Claim Type

- CMS-1500
- Electronic Claim Submission (x12 837/NCPDP)
- Pharmacy Batch Electronic Claim Submission
- Pharmacy Universal Claim Form
- Web Direct Data Entry (DDE)
- UB-04

8.3 Billing Code, Modifier, and Billing Unit

Providers must report the most current and appropriate billing code(s), modifier(s), and billing unit(s) for the service rendered, listed in the applicable fee schedule(s) incorporated by reference in Rule 59G-4.002, F.A.C., and available at <http://ahca.myflorida.com/Medicaid/review/index.shtml>.

8.3.1 Outpatient Drugs

Providers must include the NDC for the prescribed drug(s) administered on claims with revenue code 0636.

8.3.2 Partial Refills

Providers must include the partial fill code designated in the National Council for Prescription Drug Program standards on claims for partial refills.

8.3.3 Physician Administered Drugs

Providers must include the 11-digit NDC on the package of the prescribed drug administered to the recipient on the claim.

8.4 Rate

Florida Medicaid reimburses providers in accordance with Rule 59G-4.251, F.A.C. and the applicable fee schedule incorporated by reference in Rule 59G-4.002, F.A.C.

8.4.1 Dispensing Fee

Florida Medicaid reimburses one dispensing fee every month, per prescribed drug.

8.4.2 Unit-Doses Packaging and Repackaging

Florida Medicaid reimburses an additional \$0.015 per unit for the first 120 units of tablets or capsules that are unit-dose packaged in-house, per prescription, when the drugs are not otherwise available in unit-dose packaging.

Florida Medicaid reimburses providers a dispensing fee, a \$5.00 restocking fee, and a unit-dose repackaging fee for the product quantity submitted on the re-bill transaction.