



STATE OF TENNESSEE  
BUREAU OF TENNCARE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
310 GREAT CIRCLE ROAD  
NASHVILLE, TENNESSEE

This notice is to advise you of information regarding the system used for processing pharmacy claims for the *TennCare Program*.

**Please forward or copy the information in this notice to all providers who may be affected by these processing changes.**

With a number of changes that will directly impact pharmacy providers being implemented for the *TennCare Program* on **August 1, 2005**, this notice is being sent as a reminder of those changes. We encourage you to read this notice thoroughly, participate in the scheduled conference calls, and contact First Health's Technical Call Center should you have additional questions.

**Provider Education Conference Call**

Provider Conference Calls have been scheduled for July 26 and 27, 2005 to address processing questions resulting from the newly implemented preferred drug list. The format of this session will be Question and Answer.

- **Tuesday, July 26:** 3:00 p.m. to 4:00 p.m. CDST (4:00 p.m. to 5:00 p.m. EDST)
- **Wednesday, July 27:** 10:00 a.m. to 11:00 a.m. CDST (11:00 a.m. to 12:00 p.m. EDST)

Dial-in information for the Conference Call:

1. Conference Call toll-free access number: 800-824-7254
2. Guest Room number: 146208. You will be prompted to enter the guest room number.
3. While on the Conference Call, you may mute your phone by pressing the # button.

**8/1/05 TennCare Pharmacy Claims Processing Reference Guide**

**Q. How do I communicate that a TennCare recipient is pregnant so that they are exempt from Co-payments?**

A. A provider may override the co-pay for a pregnant recipient by submitting a "2" in the **Pregnancy Indicator field (NCPDP field 335-2C)**.

**Q. How do I communicate that a TennCare recipient is receiving Hospice care so that they are exempt from Co-payments?**

A. A provider may override the co-pay for a recipient in hospice care by submitting an "11" in the **Patient Location field (NCPDP field 307-C7)**.

**Q. If a TennCare recipient has questions regarding their change in benefits, who should they call?**

A. Please refer TennCare recipients to the **TennCare Family Assistance Service Center at 866-311-4287**.

**Q. Should an enrollee get a 3-day supply and a drug store notice form when they have reached their prescription limit for the month?**

**A.** Once a member reaches the prescription limit for the month, additional prescriptions written during that month should be considered non-covered services. Therefore, Grier override codes will not allow these claims to bypass the script limit. Medications on the short list are not counted against the script limit, and will continue to process through the POS system once a member has reached their script limit. The Short List can be downloaded from the TennCare/First Health website at [www.firsthealth.com](http://www.firsthealth.com).

**Q. After dispensing a Grier three day supply which has counted against the recipient’s script limit, if the prescribing physician alters the recipient’s therapy to comply with the TennCare PDL, how do I exempt the replacement prescription from counting against the recipient’s monthly script limit?**

**A.** A provider may submit the value of ‘5’ in the Submission Clarification Code (42Ø-DK) field on the incoming claim to exclude the claim from the monthly script limit. When the Grier Override Code of ‘5’ is used, it will be allowed by the system to match only with a Grier Override Code of ‘8’ on a previously filled prescription. Edits are in place to ensure this is used only when switching from non-preferred to preferred regimens. This will also be monitored closely.

**Q. With so many edits in place, how do I know what is the exact reason of any denial I receive?**

**A.** Below is a short chart identifying the most prevalent denial codes, and providing additional detail surrounding those. It is very important to read the supplemental messages that First Health communicates with each denial. These messages more accurately pinpoint the reason for the denial.

<b>NCPDP Error Code</b>	<b>NCPDP Message</b>	<b>First Health Supplemental Message</b>	<b>Dispense 3-day supply?</b>	<b>Pharmacy Provide Drugstore Notice Form?</b>
70	NDC Not Covered	No Pharmacy Benefit	NO	NO
70	NDC Not Covered	OTC Drugs Not Covered	NO	NO
70	NDC Not Covered	DESI Drugs Not Covered	NO	<b>YES</b>
75	Prior Authorization Required	Non-PDL Product – MD to Call 866-434-5524	<b>YES</b>	<b>YES</b>
76	Plan Limitations Exceeded	Qty Limit Exceeded. MD to Call 866-434-5524	<b>YES</b>	<b>YES</b>
76	Plan Limitations Exceeded	Monthly limit of 5 scripts exceeded	NO	NO
76	Plan Limitations Exceeded	Monthly limit of 2 brand scripts exceeded	NO	NO
76	Plan Limitations Exceeded	31 Maximum Days Exceeded.	NO	NO
88-ER	Overuse Precaution	Clinical: fill dt < YYYYMMDD (indicates earliest date prescription may be refilled)	NO	NO
88-HD	High Dose Alert	Adult Max X.XX EA	<b>YES</b>	<b>YES</b>
88-SX	Drug to Gender Alert	DUR Reject Error- SX- Drug-Gender Alert	<b>YES</b>	<b>YES</b>
88-TD	Therapeutic Duplication	Various pieces on information from the conflicting claim will be communicated	<b>YES</b>	<b>YES</b>

**IMPORTANT REMINDER: EXCEPT AS NOTED ABOVE, YOU MUST CONTINUE TO USE THE DRUGSTORE NOTICE FORM.** Should you need additional copies of these forms, please call 888-816-1680. You may also request additional copies of this form via fax request at 888-298-4130 or by downloading a form from this link:  
[www.firsthealth.com](http://www.firsthealth.com)

## **BENEFIT CHANGES EFFECTIVE AUGUST 1, 2005:**

### **Prescription Limit**

- **Who** –TennCare Medicaid adults (defined as 21 or older) who are not in an institution or Home and Community Based Services (HCBS) waiver will be subject to a monthly prescription limit. Exception – non-pregnant Medically Needy adult enrollees who are not in an institution or HCBS waiver will have no pharmacy benefit.
- **Description** -
  - Every calendar month the affected enrollees will be limited to 5 prescriptions and/or refills, of which no more than 2 can be brand names
  - TennCare has developed a list of medications, commonly referred to as the “Short List”, that do not count towards the prescription limit and that will continue to be available to the enrollee after the limit has been hit.
  - The “Short List” is applicable *only* to persons who have pharmacy coverage with a monthly limit. Persons who have no pharmacy coverage pending disenrollment may not obtain drugs on the short list.
  - The pharmacy Point-of-Sale system (POS) will recognize Short List drugs and assure that they are not counted toward the limit. The Short List can be downloaded from the TennCare/First Health website at [www.firsthealth.com](http://www.firsthealth.com).
  - The POS system will also enable the pharmacist to determine when a claim is denied because of the prescription limit. The rejection will be an NCPDP code of 76, “Plan Limitations Exceeded” with a supplemental message of “Monthly limit of 5 scripts exceeded”. The message that will be returned for the third brand script will be “Monthly limit of 2 brand scripts exceeded”.
  - Pharmacies may bill enrollees for prescriptions over the prescription limit; however, the pharmacy should always attempt to process the prescription and receive the “over the limit” denial before billing the patient.
  - In rare circumstances, the TennCare PDL may list only brand name drugs as preferred agents in a drug class in which generic drugs are available. In such cases, the preferred brands will be treated like generics in that they will not count toward the 2 brand per month limit and they will not carry the brand co-pay (see below).
  - Clozapine and Clozaril® will only be counted toward the prescription limit for the first fill each month.

### **Pharmacy Co-pay**

- **Who** –
  - TennCare Medicaid adults (defined as 21 or older) who have a pharmacy benefit and who are not in an institution or HCBS waiver. Exceptions:
    - Pregnant women
    - People receiving hospice care
  - TennCare Standard Children at or above 100% of the federal poverty level

**Note:** Pregnant women and people receiving hospice care will need to self-declare at the pharmacy in order to be exempt from the co-pay. The pharmacy may override the co-pay for a pregnant recipient by submitting a “2” in the Pregnancy Indicator field (NCPDP field 335-2C). The pharmacy may override the co-pay for a recipient in hospice care by submitting an “11” in the Patient Location field (NCPDP field 307-C7).

- **Description** -

- Brand name medications will have a \$3.00 co-pay per prescription
- Generic medications will have no co-pay
- Family planning drugs will not be subject to the co-pay
- The pharmacy system will determine the co-pay based on the above rules
- Enrollees cannot be denied services for failure to make a co-pay
- A claim for a multi-ingredient compound will receive a Brand co-pay
- In rare circumstances, the TennCare PDL may list only brand name drugs as preferred agents in a drug class in which generic drugs are available. In such cases, the preferred brands will be treated like generics in that they will not count toward the 2 brand per month limit and they will not carry the brand co-pay
- Clozaril® and clozapine will be subject to co-pay for only the first fill each month.

**Non-Covered Services**

- **Who** - TennCare adults (defined as 21 and older in both Medicaid and Standard)
- **Description** – The following services will no longer be covered for adults:
  - Over the Counter (OTC) Drugs – except that prenatal vitamins for pregnant women and any OTC drug designated as “preferred” on the Preferred Drug List (PDL) will still be covered. Please download a copy of the OTC coverage list at: [www.firsthealth.com](http://www.firsthealth.com)

**ADDITIONAL PHARMACY PROCESSING CHANGES:**

1. If a pharmacy provider dispenses a 3 day “interim” supply of medication using a Grier Code of “8”, and is successful in contacting the prescriber to change the medication, the subsequent “new” prescription will not be counted against the recipient’s monthly script limit, as the “interim” supply would already have been counted against the monthly script limit. To exempt the “new” prescription in this case specifically, the following procedure will need to be followed:
  - A provider may submit the value of ‘5’ in the Submission Clarification Code (42Ø-DK) field on the incoming claim to exclude the claim from the monthly script limit. Any ‘5’ should override only the Script Limit edit. When the Grier Override Code of ‘5’ is used, it will be allowed by the system to match only with a Grier Override Code of ‘8’ to which no other ‘1’ or ‘5’ has been matched.
    - In addition, the incoming claim must not contain the Grier Code of “8” (Indicating the provider has simply switched to another non-preferred product.)
2. The tolerance for early refills will be increased from 75% to 85% on August 1, meaning that 85% of the days supply must elapse before a refill will process. This will apply to all medications except prescriptions containing hydrocodone, which will remain at 87%.
3. With the prescription limits being based on the calendar month, filling prescriptions with a 31-day supply is recommended to prevent recipients from exceeding their monthly limit. Please encourage your prescribers to write for a 31-day supply to prevent this from happening.

Please contact the First Health Technical Call Center at 866-434-5520 with any questions concerning these changes in the TennCare pharmacy program. The First Health Clinical Call Center can be reached at 866-434-5524 or by fax at 866-434-5523. The TennCare Fraud and Abuse Hotline is 800-433-3982.

**Thank you for your participation in the TennCare program and your commitment to assist your patients as we implement the reforms necessary to bring program costs in line with available funding.**

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