



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 970

DATE: December 6, 2010

TO: All Iowa Medicaid Physician, Dentist, Advanced Registered Nurse Practitioner, Therapeutically Certified Optometrist, Podiatrist, Pharmacy, Home Health Agency, Rural Health Clinic, Clinic, Skilled Nursing Facility, Intermediate Care Facility, Community MH, Family Planning, Residential Care Facility, ICF MR State, Community Based ICF/MR Providers

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise

RE: Coverage of Non-Drug Products through Pharmacy Point of Sale (POS)

EFFECTIVE: January 1, 2011

1. Changes Regarding Coverage of Non-Drug Products

Background: Products that are not approved as a prescription drug by the Food and Drug Administration (FDA) under Section 505 or 507 of the Federal Food, Drug and Cosmetic Act do not meet the definition of covered outpatient drugs as defined in Section 1927(k)(2) of the Social Security Act, and cannot be covered by Medicaid Pharmacy programs.

The Centers for Medicare and Medicaid Services (CMS) has a continuing effort to remove non-drug items from the Medicaid Drug Rebate (MDR) system. Removal of these products results in the items being noncovered by Medicaid Pharmacy programs. The review includes over the counter (OTC) vitamins and minerals, oral electrolytes and compounding supplies (including active pharmaceutical ingredients and excipients). CMS does allow coverage for these products as a medical supply item. A change to the Iowa Administrative Code effective January 1, 2011 will allow for coverage in this manner. For additional information refer to the website www.iowamedicaidpdl.com under the CMS Updates/FDA Updates link for further information. State Release #155 addresses compounding supplies. Any future CMS notifications on this subject will be posted to this website as they become available.

Billing: Effective January 1, 2011, pharmacies should continue to provide the products listed on the covered Non-Drug Product List posted on www.iowamedicaidpdl.com and bill Medicaid through the Point of Sale (POS).

Policy: Medicaid will continue to cover certain OTC vitamins and minerals, oral electrolytes and compounding supplies as listed on the covered Non-Drug Product List. Certain active pharmaceutical ingredients will be covered when a commercial product is not applicable. If there is a commercially available prescription product that duplicates the compound being made for a Medicaid member, the member will be required to use that product rather than the compound. Prior authorizations (PA) will be submitted through Pharmacy PA.

The following is the covered Non-Drug Product List. Several of these non-drug products are subject to clinical prior authorizations (PA) which are indicated by a check mark below.

| Non-Drug Products | ✓ Indicates PA Required | MAC per Tablet, ML or GM |
|--|--------------------------------|---------------------------------|
| Adeks | ✓ | .3131 |
| AquaADEKS Tabs | ✓ | .5306 |
| AquaADEKS Solution | ✓ | .3678 |
| Bacterostatic Sodium Chloride Injection 0.9% | | .0459 |
| Bacterostatic Water for Injection | | .0240 |
| Bacterostatic Parabens Water for Injection | | .0420 |
| Calcium Carbonate 500mg Chewable Tablets | ✓ | .0205 |
| Calcium Carbonate 750mg Chewable Tablets | ✓ | .0381 |
| Calcium Carbonate 1000mg Chewable Tablets | ✓ | .0469 |
| Calcium Carbonate 1250mg Chewable Tablets | ✓ | .1026 |
| Calcium Carbonate 1250mg/5ml Suspension | ✓ | .0579 |
| Calcium Carbonate 600mg Tablets | ✓ | .0440 |
| Calcium Carbonate-Vitamin D 500mg/200 unit | ✓ | .0468 |
| Calcium Carbonate Vitamin D 600mg/200 unit Tablets | ✓ | .0294 |
| Calcium Carbonate Vitamin D 600/400 unit Tablets | ✓ | .0516 |
| Calcium Gluconate 650mg Tablets | ✓ | .0152 |
| Calcium Lactate 650mg Tablets | ✓ | .0232 |
| Epoprostenolol Diluents (Flolan)0.5mg | | 12.72 |
| Epoprostenolol Diluents (Flolan) 1.5mg | | 40.04 |
| Ferrous Fumarate 325mg Tablets | | .0181 |
| Ferrous Gluconate 325mg Tablets | | .0462 |
| Ferrous Sulfate 75mg/0.6ml Drops | | .0388 |
| Ferrous Sulfate 220mg/5ml Elixir | | .0127 |
| Ferrous Sulfate 325mg Tablets | | .0246 |
| Metronidazole Powder | | 1.5775 |
| Pediatric Oral Electrolyte Solution | | .0054 |
| Progesterone Powder | | 2.0231 |
| Progesterone Micronized Powder | | 1.0841 |
| Sodium Chloride Injection 0.9% | | .0030 |
| Sodium Chloride Solution 0.9% for inhalation | | .0451 |
| Vitamin D Drops 8000U/ml | ✓ | 1.9550 |

2. Prior Authorization (PA) Process

- **Effective January 1, 2011, for the above products requiring PA, a PA form should be faxed to the Pharmacy PA Department at 800-574-2515.**
- The Vitamins and Minerals PA Form is located at www.iowamedicaidpdl.com under the PA forms link.
- Existing prior authorizations through Medical Services will be transitioned for payment through POS. **A new PA is not needed for members with existing authorizations for the above products through the end date of the existing PA.**
- Paper claim submission will no longer be necessary to obtain payment for these products.

We encourage providers to go to the website at www.iowamedicaidpdl.com to view all recent changes to the PDL. If you have questions, please contact the Pharmacy Prior Authorization Helpdesk at 877-776-1567 or 515-256-4607 (local in Des Moines) or e-mail info@iowamedicaidpdl.com.