



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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Boston, MA 02111
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MASSHEALTH
TRANSMITTAL LETTER PHM-57
May 2007

TO: Pharmacies Participating in MassHealth
FROM: Tom Dehner, Acting Medicaid Director *TD*
RE: *Pharmacy Manual* (Revisions to Regulations about Medicare Part D)

This letter transmits revisions to the pharmacy regulations about Medicare Part D, as provided in the Massachusetts state budget for fiscal year 2007. The provision extends and expands the state pharmacy assistance available to MassHealth members who have Medicare.

The fiscal year 2007 budget extended the availability of one-time 30-day supplies of prescribed medications for members with Medicare for dates of pharmacy service from July 1, 2006, until December 31, 2006. After this supply, MassHealth paid for a one-time 72-hour supply of the prescribed medication, without a copayment. Effective July 1, 2006, payment for these one-time supplies will be available when a pharmacist is unable to bill a Medicare Part D plan or the point-of-sale facilitator (currently WellPoint/Anthem). Effective January 1, 2007, the one-time 30-day supplies will no longer be available, but MassHealth will still pay for a one-time 72-hour supply of prescribed medications.

Effective July 1, 2006, for cost-sharing assistance for MassHealth members who are enrolled in a Medicare Part D prescription drug plan, if the Medicare Part D copayment or deductible is in excess of the member's applicable MassHealth copayment, the MassHealth member will pay the applicable MassHealth copayment and MassHealth will pay the difference between the applicable MassHealth copayment and the amount charged by the Medicare Part D prescription drug plan.

"Pharmacy Facts" Number 22, issued on September 1, 2006, introduced these changes to pharmacies.

These regulations are being issued as emergency regulations and are effective July 1, 2006.

If you have any questions about the information in this transmittal letter please contact Affiliated Computer Systems (ACS) at 1-866-246-8503.

NEW MATERIAL

(The pages listed here contain new or revised language.)

Pharmacy Manual

Pages 4-9 and 4-10

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Pharmacy Manual

Pages 4-9 and 4-10 — transmitted by Transmittal Letter PHM-56

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- (2) The MassHealth agency does not pay for the following types of drugs or drug therapy without prior authorization:
- (a) immunizing biologicals and tubercular (TB) drugs that are available free of charge through local boards of public health or through the Massachusetts Department of Public Health (DPH);
 - (b) nongeneric multiple-source drugs; and
 - (c) drugs related to sex-reassignment surgery, specifically including but not limited to, presurgery and postsurgery hormone therapy. The MassHealth agency, however, will continue to pay for post sex-reassignment surgery hormone therapy for which it had been paying immediately prior to May 15, 1993.
- (3) The MassHealth agency does not pay any additional fees for dispensing drugs in a unit-dose distribution system. The MassHealth agency does, however, pay a unit-dose return fee in accordance with 130 CMR 406.446.
- (4) The MassHealth agency does not pay for any drug prescribed for other than the FDA-approved indications as listed in the package insert, except as the MassHealth agency determines to be consistent with current medical evidence.
- (5) The MassHealth agency does not pay for drugs that are provided as a component of a more comprehensive service for which a single rate of pay is established in accordance with 130 CMR 450.307.

406.414: Insurance Coverage

(A) Managed Care Organizations. The MassHealth agency does not pay pharmacy claims for services to MassHealth members enrolled in a MassHealth managed care organization (MCO) that provides pharmacy coverage through a pharmacy network or otherwise, except for family planning pharmacy services provided by a non-network provider to a MassHealth Standard MCO enrollee (where such provider otherwise meets all prerequisites for payment for such services). A pharmacy that does not participate in the MassHealth member's MCO must instruct the MassHealth member to take his or her prescription to a pharmacy that does participate in such MCO. To determine whether the MassHealth member belongs to an MCO, pharmacies must verify member eligibility and scope of services through POPS before providing service in accordance with 130 CMR 450.107 and 450.117.

(B) Other Health Insurance. When the member's primary carrier has a preferred drug list, the prescriber must follow the rules of the primary carrier first. The provider may bill the MassHealth agency for the primary insurer's member copayment for the primary carrier's preferred drug without regard to whether the MassHealth agency generally requires prior authorization, except in cases where the drug is subject to a pharmacy service limitation pursuant to 130 CMR 406.413(C)(2)(a) and (c). In such cases, the prescriber must obtain prior authorization from the MassHealth agency in order for the pharmacy to bill the MassHealth agency for the primary insurer's member copayment. For additional information about third party liability, see 130 CMR 450.101 et seq.

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(C) Medicare Part D.

(1) Overview. Except as otherwise required in 130 CMR 406.414(C)(2) and (3), for MassHealth members who have Medicare, the MassHealth agency does not pay for any Medicare Part D drugs, or for any cost-sharing obligations (including premiums, copayments, and deductibles) for Medicare Part D drugs, whether or not the member has actually enrolled in a Medicare Part D drug plan. Medications excluded from the Medicare Part D drug program continue to be covered for MassHealth members eligible for Medicare, if they are MassHealth-covered medications.

(2) Medicare Part D One-Time Supplies. The MassHealth agency pays for one-time supplies of prescribed medications, as described in 130 CMR 406.414(C)(2)(a) and (b), if the medication is a MassHealth-covered medication and the MassHealth member would otherwise be entitled to MassHealth pharmacy benefits but for being eligible for Medicare prescription drug coverage. MassHealth prior authorization does not apply to such one-time supplies. Between January 1 and June 30, 2006, the MassHealth agency pays for the one-time supplies only if the MassHealth member's Medicare Part D prescription drug plan will not cover the prescribed medication at the time the prescription is presented. Effective July 1, 2006, the MassHealth agency pays for the one-time supplies in all instances in which the pharmacist cannot bill a Medicare Part D prescription drug plan at the time the prescription is presented.

(a) Between January 1 and December 31, 2006, the MassHealth agency pays for a one-time 30-day supply of prescribed medications. Any copayment that would have been charged to the member under MassHealth will apply to a one-time 30-day supply. After this supply of the prescribed medication, the MassHealth agency pays for a one-time 72-hour supply of the same prescribed medication.

(b) Effective January 1, 2007, the MassHealth agency pays for a one-time 72-hour supply of prescribed medications.

(3) Cost-Sharing Assistance for MassHealth Members Enrolled in a Medicare Part D Prescription Drug Plan. For the purpose of 130 CMR 406.414(C)(3)(a) and (b), the "applicable MassHealth copayment" is the copayment the MassHealth member would pay for prescription drugs if the drugs were covered by MassHealth and not covered by Medicare Part D.

(a) Between January 1 and June 30, 2006, for MassHealth members who are enrolled in a Medicare Part D prescription drug plan and are charged a copayment in excess of the member's applicable MassHealth copayment for a drug that MassHealth would otherwise cover, the member pays the applicable MassHealth copayment and the MassHealth agency pays the difference to the pharmacy, up to the amount that the Medicare Part D prescription drug plan is permitted to charge an eligible enrollee who has both MassHealth and Medicare.

(b) Effective July 1, 2006, for MassHealth members who are enrolled in a Medicare Part D prescription drug plan and are charged a copayment or deductible in excess of the member's applicable MassHealth copayment for a drug that MassHealth would otherwise cover, the member pays the applicable MassHealth copayment and the MassHealth agency pays the difference between the applicable MassHealth copayment and the amount charged by the Medicare Part D prescription drug plan.