



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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TO: All providers – **For Action**
Health Maintenance Organizations – **For Information Only**

SUBJECT: **NJ FamilyCare Coverage of Smoking Cessation Products**

EFFECTIVE: Immediately

PURPOSE: (1) To clarify NJ FamilyCare (NJFC) policy regarding coverage of over-the-counter (OTC) and legend smoking cessation products; and
(2) To identify billing issues that may lead to a misunderstanding that OTC smoking cessation products are not covered by the NJFC program

BACKGROUND: The New Jersey Division of Medical Assistance and Health Services (DMAHS) has received complaints from practitioners and NJ FamilyCare beneficiaries concerning pharmacists inappropriately advising beneficiaries that over-the-counter (OTC) smoking cessation products, including nicotine gums, nicotine lozenges and nicotine patches, are not covered by the NJFC fee-for-service (FFS) or NJFC managed care pharmacy benefit plans. **OTC smoking cessation products are covered by the NJFC FFS program and NJFC managed care pharmacy benefit plans.**

Many of these complaints have been received from beneficiaries with both Medicare Part D and NJFC prescription drug coverage, commonly referred to as "**dually-eligible**" beneficiaries. **Medicare Part D does not provide coverage for OTC smoking cessation products.**

Other complaints involve the misperception that a drug product's Universal Product Code (UPC) is a billable drug code for submitting pharmacy claims.

The UPC assigned to any drug product, including OTC smoking cessation products, is not an acceptable drug code for billing pharmacy claims.

ACTION: When billing an OTC smoking cessation product for a dually-eligible beneficiary, **do not submit these claims to Medicare Part D as the primary payer.**

Molina Medicaid Solutions for FFS claims or the NJFC managed care pharmacy benefit plan is the primary payer for OTC smoking cessation products when billed for dually-eligible beneficiaries.

In addition, when billing FFS claims for OTC smoking cessation products, the product manufacturer must have signed a federal Medicaid Drug Rebate Agreement. If a manufacturer has not signed the agreement, these claims shall be denied by **Error Code 0549**.

A pharmacy must dispense only those OTC smoking cessation products whose manufacturer has signed the federal Medicaid Drug Rebate Agreement.

The table below provides an overview of FFS and managed care coverage of OTC and legend smoking cessation products for all NJFC beneficiaries.

Smoking Cessation Products Coverage by Plan As Of June 1, 2017

Product	Drug Class	FFS	Aetna® Better Health® of NJ	Amerigroup Real Solutions®	Horizon NJ Health	United HealthCare® Community Plan	WellCare Easy Choice® Health Plan
Nicotine Gum	OTC	Y	Y	Y	Y	Y	Y
Nicotine Lozenge	OTC	Y	Y	Y	Y	Y	Y
Nicotine Patch	OTC	Y	Y	Y	Y	Y	Y
Nicotine Nasal Spray	RX	Y	PA	PA	PA	PA	PA
Nicotine Oral Inhaler	RX	Y	PA	PA	PA	PA	PA
Bupropion	RX	Y	Y	Y	Y	Y	Y
Varenicline	RX	Y	PA	PA	PA	Y	PA

OTC = Over the Counter Drug
 RX = Prescription Drug
 Y = Covered Drug Product
 PA = Prior Authorization May Be Required

If you have any questions concerning a claim denial for an OTC smoking cessation product, do not hesitate to contact the Molina Medical Exception Process (MEP) Unit at 1-877-888-2939 for FFS claims or the HMO pharmacy benefit plan to request clarification before advising a beneficiary that the product is not covered by the NJFC program.

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