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# Newsletter

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**TO:** Physicians, Providers of Pharmaceutical Services – **For Action**  
Managed Care Organizations – **For Information Only**

**SUBJECT:** **Guidelines for Medicaid/NJ FamilyCare, PAAD, Senior Gold and AIDS Drug Distribution Program (ADDP) Coverage of Prescriptions Dispensed by an Automatic Prescription Drug Refill Program**

**EFFECTIVE:** Immediately

**PURPOSE:** To provide guidelines for the NJ FamilyCare Medicaid, PAAD, Senior Gold, and AADP programs developed by the New Jersey Division of Medical Assistance and Health Services (DMAHS) and the Division of Aging Services (DoAS) pertaining to prescriptions dispensed by an automatic prescription drug refill (auto-refill) program.

**BACKGROUND:** DMAHS conducted outreach to other State Medicaid Programs requesting information regarding the participation of Medicaid beneficiaries in auto-refill (also referred to as “auto-shipment”) programs. The outreach was encouraged by the concerns of the Medicaid Fraud Division (MFD) of the New Jersey Office of the State Comptroller. These concerns are similar to those expressed by other State Medicaid Programs regarding “inefficiencies” in established auto-refill programs. These concerns include on-line member enrollment authorization procedures, inappropriate refilling of former medically necessary prescriptions, failures to reverse State pharmacy benefit payments for prescriptions not dispensed and clinical concerns related to the administration of prescription drugs by enrolled members.

In order to reconcile these concerns, DMAHS has developed guidelines intended to ensure the integrity of these programs. These guidelines enforce the need for beneficiaries, pharmacies and Managed Care Organizations (MCOs) to assume responsibility for ensuring the safe and cost-effective use of prescription drugs dispensed under an auto-refill program.

DMAHS/MFD shall monitor compliance with these guidelines by measuring inconsistencies found in drug claim refill data.

**ACTION:** Prescription refills should only be dispensed and considered for reimbursement under the NJ FamilyCare Medicaid, PAAD, Senior Gold, and ADDP programs when explicitly requested by a beneficiary, a responsible party or a prescriber. DMAHS/DoAS supports unsolicited participation of a beneficiary in an auto-refill program only if all of the following guidelines are followed prior to authorizing the beneficiary's participation:

- ✓ The participation of a beneficiary in an auto-refill program should be authorized by the participant, responsible party or caregiver every twelve (12) months subject to verification with the prescriber. Written authorizations shall be retained on file by the pharmacy for no less than ten (10) years. Automatic enrollment in an electronic refill program is not considered acceptable.
- ✓ Enrollment in an auto-refill program is considered appropriate for the convenience of care-givers involved with the care of a beneficiary.
- ✓ Auto-refilling of prescription drugs should be limited to maintenance drugs. Maintenance drugs are prescriptions commonly used to treat medical conditions that are considered chronic or long-term. Examples of maintenance drugs include, but may not be limited to drugs prescribed for the medical management of hypertension, heart disease, asthma and diabetes.
- ✓ Pharmacies are responsible for ensuring that prescriptions filled under their auto-refill program are medically necessary. Verification of the continued use of a prescription drug during the authorized period should be conducted to ensure beneficiaries are appropriately dispensed prescribed medications. Of serious concern is the auto-refilling of a prescription medication that has been discontinued by a prescriber.
- ✓ A nurse or other authorized agent of a facility may initiate requests for prescription auto-refills for beneficiaries residing in a skilled nursing facility as ordered by a properly credentialed healthcare provider.
- ✓ Auto-refilling of unit-dose medications is permitted for beneficiaries residing in a skilled nursing facility.

**Pharmacies with an auto-refill program shall reverse any payments for prescriptions not received by a beneficiary or responsible party within fourteen (14) days. Any payments not reversed shall be subject to recovery by the State of New Jersey.**

If there are any questions regarding this Newsletter, please contact the State's fiscal agent, DXC Technology, Provider Services Unit at 1-800-776-6334.

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