



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

# NEWSLETTER

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**TO:** Physicians, Dentists, Podiatrists, Certified Nurse Practitioners/ Clinical Nurse Specialists, Optometrists, and Independent Clinics - **For Information**

Health Maintenance Organizations - **For Information Only**

**SUBJECT:** **Prior Authorization (PA) of Pharmacy Services Exceeding a Monthly Prescription Volume Threshold**

**EFFECTIVE:** Claims with service dates **on or after December 1, 1999**

**PURPOSE:** To notify prescribers of a new policy requiring PA for certain prescription services provided to Medicaid, NJ KidCare and General Assistance (GA) beneficiaries which exceed a monthly prescription volume threshold. **This policy change does not apply to Pharmaceutical Assistance to the Aged and Disabled (PAAD), AIDS Drug Distribution Program (ADDP), or Cystic Fibrosis Program (CF) pharmacy claims.**

**BACKGROUND:** The New Jersey Division of Medical Assistance and Health Services (DMAHS) and the New Jersey Division of Family Development (DFD) are implementing a new State policy requiring pharmacists to request PA for pharmacy claims reflecting prescription services provided to Medicaid, NJ KidCare and GA beneficiaries which exceed a monthly prescription volume. The threshold will be phased in over time. Initially, this threshold will be twelve (12) prescriptions per calendar month. The threshold will be reduced over time to seven (7) prescriptions per calendar month.

This policy is intended to offer DMAHS and DFD enhanced opportunities to (1) prospectively monitor drug utilization by Medicaid and GA beneficiaries; and (2) provide community pharmacists with additional support when offering to counsel Medicaid, NJ KidCare and GA beneficiaries regarding fee-for-service prescription drug use.

**ACTION:** **Effective December 1, 1999**, with certain exceptions, prior authorization (PA) is required when retail pharmacy claims are provided to the same fee-for-service Medicaid, NJ KidCare or GA beneficiary during the same calendar month which exceed the monthly prescription volume threshold. The threshold will be phased in, starting at twelve (12) prescriptions per month, and reduced over time to seven (7) prescriptions per month. Both original and refill prescriptions contribute to a beneficiary's monthly prescription volume and are considered equally when determining the need for PA.

The following are exceptions to the **Monthly Prescription Volume Threshold Process**:

1. **Prescriptions for Clozapine, hemophiliac drugs, immunosuppressants, and HIV/AIDS drugs, including protease inhibitors, antiviral drugs, nucleoside analogs, and reverse transcriptase inhibitors, are not counted towards the Monthly Prescription Volume Threshold Process.**
2. **All prescriptions provided to beneficiaries residing in assisted living settings approved by the New Jersey Department of Health and Senior Services (DHSS) are exempt from this process.**

The following are **not exceptions** and continue to require prior authorization:

1. **All protein nutritional supplements, specialized infant formulas, and drugs used for the treatment of hyperkinesis, or attention deficit disorder (ADD).**
2. **Prescriptions for drugs subject to Edit 577, which continue to require PA from the Newark GA and East Orange GA programs for each prescription. There are no threshold requirements for these drugs.**

#### **PROCEDURES:**

1. On behalf of DMAHS, the **First Health Services Corporation** will act as the State's agent, directly participating and processing all PA requests related to the monthly prescription volume threshold process. **Threshold-related PA requests will not be processed by Medicaid District Office (MDO) staff.**
2. First Health Services will provide a toll-free telephone number and New Jersey licensed pharmacists to accept calls from, and counsel, pharmacists concerning PA requests for prescription services which exceed the monthly prescription volume threshold.

First Health Services is located in Princeton. The office will be staffed by New Jersey licensed pharmacists during normal business hours between 8 A.M. and 5 P.M., for processing non-emergency PA requests.

Pharmacists will be on call after hours, on weekends and holidays, to process emergency requests.

An emergency request may result when a pharmacy claim is denied payment for Threshold and the beneficiary is out of medication **or** an additional prescription has been presented to the pharmacy for dispensing during the same calendar month.

For emergency threshold requests for Medicaid and General Assistance (GA) prescriptions, the pharmacy may use the on-call service to request prior authorization **or** dispense **up to** a six (6)-day emergency supply of medication without prior authorization (see N.J.A.C. 10:51-1.14). However, after the emergency supply of medication has been used by the beneficiary and the remainder of the prescription must be dispensed during the same calendar month, prior authorization will be required for dispensing additional medication.

**First Health Services may be contacted 24-hours a day, seven (7) days a week at 1-877-888-2939.** All decisions concerning PA will be processed by New Jersey licensed pharmacists.

It is important to note that First Health Services must be contacted at 1-877-888-2939 by pharmacists to request PA or responses to questions concerning the monthly prescription volume threshold process. **Any questions concerning the threshold process must be directed to First Health Services. Unisys is not responsible for responding to questions concerning this process.**

3. To assist pharmacists with monitoring prescription utilization by Medicaid or GA beneficiaries, the Point-of-Sale (POS) system has been enhanced to notify pharmacists when a prescription presented for dispensing by a beneficiary is the fifth, sixth or seventh pharmacy claim for the same beneficiary during the same calendar month.

**POS responses received by pharmacists will include Error Codes 413 (fifth prescription), 414 (sixth prescription), 415 (seventh prescription), and 416. Error Code 416 will instruct pharmacists to request PA from First Health Services.**

4. When requesting PA from First Health Services, the pharmacist must provide certain claim information. This information may include, but not be limited to, the following: the beneficiary name, beneficiary identification number, prescriber name, prescriber address, prescriber telephone number, Prescriber Service Number (PSN), National Drug Code (NDC), service date, metric quantity, days supply, and the Internal Control Number (ICN) for the claim.
5. If approved by First Health Services, a PA number will be issued to the pharmacist during his/her initial telephone inquiry. PA numbers issued by First Health Services will be available for claims processed through POS within one (1) hour of the PA number being issued for non-emergency requests prior to 5 P.M.
6. The pharmacist, prescriber and beneficiary will receive confirmation of a PA number in writing from First Health Services.

Physicians and beneficiaries may inquire about the Monthly Prescription Volume Threshold Process by contacting First Health Services at 1-877-266-3589.

If you have any questions regarding this Newsletter, please contact the Chief, Pharmaceutical Services, DMAHS, at (609) 588-2724, or First Health Services.

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(BLUE TAB MARKED "5")**