

(i) Pharmacy software must have the capability to display on-line adjudicated claim data returned to the pharmacy by the fiscal agent, including:

1. Payment disposition;
2. Error code messages; and
3. Claim pricing data, including drug cost reimbursement, dispensing fee and applicable copayment amounts.

(j) Pharmacy software must provide the pharmacy with the capability of claim reversal and resubmission, if required.

1. A pharmacy may initiate a claim reversal of a previously submitted pharmacy claim for a period of 12 months from the initial date of claim service.

2. Pharmacies are required to initiate claim reversals for those services in which a claim was generated and adjudicated to payment by the fiscal agent's POS computer and the service was not subsequently provided to a PAAD beneficiary.

3. All prescriptions adjudicated to payment by the fiscal agent's computer shall be subsequently dispensed and their receipt by PAAD beneficiaries properly documented on a PAAD approved certification statement/signature log. (See N.J.A.C. 10:49-9.6)

(k) Pharmacies are required to interact with prescribers and/or beneficiaries at POS to resolve matters related to on-line messages resulting from claim adjudication by the fiscal agent.

New Rule, R.1996 d.146, effective March 18, 1996 (operative April 1, 1996).

See: 27 N.J.R. 4566(a), 28 N.J.R. 1526(a).

Amended by R.1998 d.464, effective September 8, 1998.

See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

In (b), changed N.J.A.C. reference in the introductory paragraph; and in (f)2, substituted a reference to PAAD for a reference to Medicaid.

8:83C-1.26 Prospective drug utilization review (PDUR) program

(a) The Division of Medical Assistance and Health Services of the Department of Human Services and the Department of Health and Senior Services (DHSS) have established a prospective drug utilization review (PDUR) program to assist pharmacy providers in monitoring drug utilization by PAAD beneficiaries. As a component of the PAAD point-of-sale (POS) claims adjudication system, the State's fiscal agent will review drug utilization based on claims submitted on-line and provide pharmacists with responses in real-time regarding utilization within PDUR standards as recommended by the Drug Utilization Review (DUR) Board and approved by DHSS. Similar responses related to electronic media claims (EMC) or paper claims processed by the New Jersey Medicaid Management Information System (NJMMIS) shall be received by pharmacies on the Remittance Advice statement.

1. PDUR standards developed by the DUR Board shall be based on official compendia and accepted medical literature and shall include, but not be limited to, those standards established by First Data Bank (FDB) as part of the FDB DUR information system. The FDB standards are incorporated herein by reference and may be obtained from First Data Bank, The Hearst Corp., 1111 Bayhill Drive, San Bruno, CA 94066.

2. PDUR standards shall be applied to all PAAD pharmacy claims, regardless of the mode of claim submission.

(b) POS participating pharmacy providers shall be required to meet the conditions described in N.J.A.C. 8:83C-1.25.

(c) In addition to POS responses related to adjudication of PAAD pharmacy claims returned to the pharmacy, pharmacists shall be notified regarding drug utilization inconsistent with adopted PDUR standards which may include, but not be limited to:

1. Drug interactions;
2. Maximum/minimum daily dosage alerts;
3. Therapeutic duplication;
4. Drug age conflicts;
5. Duration of therapy;
6. Drug-disease precautions; and
7. Drug-pregnancy precautions.

(d) The PDUR program may apply adopted standards based on a severity index approved by the DHSS or DUR Board to determine appropriate pharmacist intervention and/or claim disposition (for example, payment or denial) of PAAD pharmacy claims.

(e) Based on the severity of a potential PDUR conflict or interaction, pharmacists shall be required to consult with the beneficiary and/or prescriber to resolve matters indicated by PDUR messages returned by the POS system.

(f) The pharmacist intervention requirements related to the PDUR program are in addition to beneficiary interactions related to New Jersey State Board of Pharmacy requirements regarding the "offer to consult," as described in N.J.A.C. 13:39-7.14, Patient profile record system.

New Rule, R.1996 d.146, effective March 18, 1996 (operative April 1, 1996).

See: 27 N.J.R. 4566(a), 28 N.J.R. 1526(a).

Amended by R.1998 d.464, effective September 8, 1998.

See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

In (a) and (d), inserted references to the Department of Health and Senior Services throughout; in (b), changed N.J.A.C. reference; and in (c), substituted a reference to PAAD for a reference to Medicaid in the introductory paragraph.

Amended by R.1999 d.148, effective May 3, 1999.

See: 30 N.J.R. 4109(a), 31 N.J.R. 1197(b).

In (a), substituted "as recommended by the Drug Utilization Review (DUR) Board and approved by DHSS" for "approved by the Medicaid Drug Utilization Review (DUR) Board" at the end of the second sentence of the introductory paragraph, rewrote the first sentence of 1, and deleted "adopted by the Medicaid Drug Utilization Review Board or DHSS" following "standards" in 2; rewrote (c)5; and in (d), deleted "Medicaid" following "DHSS or".

8:83C-1.27 Medical exception process (MEP)

(a) For pharmacy claims with service dates on or after May 3, 1999 that exceed DUR Board standards, the PAAD program shall utilize the medical exception process (MEP) to allow the override of a claim denial, when medically necessary.

1. The MEP may be administered by a vendor on behalf of DHSS.

2. All pharmacy claims shall be subject to the MEP regardless of claims media, except that claims from institutionalized beneficiaries shall be exempt from the PDUR and MEP until notice is issued otherwise.

(b) The MEP shall be as follows:

1. Upon the occurrence of a PDUR edit indicating that a claim is denied unless a medical exception override is applied, the pharmacist shall contact the MEP contractor.

2. The MEP contractor shall approve the claim for payment for the full prescription specified, or a 30-day supply of the prescription, whichever amount is less, unless it is clear that consumption of the prescribed medication poses a threat to the patient's life or may result in a potentially serious illness based on the information available to the pharmacist and the MEP contractor.

3. If the prescription exceeds a 30-day supply, the MEP contractor shall send the prescriber an MEP Prescriber Notification Letter form, along with the PAAD beneficiary's name and PAAD identification number, the dispense date, drug quantity and drug description, and the toll-free telephone number of the MEP contractor.

4. In order to request the medical exception override, the prescriber shall submit the completed MEP Prescriber Notification Letter to the MEP contractor with a justification for the medical exception override, and the anticipated length of time the medical exception override for the PAAD beneficiary will be necessary to satisfy the length of therapy required.

5. The MEP contractor shall render a decision on the request for the medical exception override documented in the completed MEP Prescriber Notification Letter, basing the decision whether to grant or deny the request upon drug standards and protocols established by the DUR Board, and shall notify the PAAD beneficiary, the prescriber and the pharmacist of the decision.

6. If the request is approved, the MEP contractor shall issue an authorization number recognized by the NJMMIS for the medical exception override to facilitate claim payment.

(c) Except as (b)2 above applies, the PAAD program shall deny payment for claims subject to the MEP process for which an authorization number has not been issued by the MEP contractor.

(d) PAAD beneficiaries, or prescribers acting with the consent of the PAAD beneficiary, and pharmacies (following receipt of a Remittance Advice Statement) may request a fair hearing to appeal a decision by the MEP contractor not to approve a claim pursuant to (b)2 or 5 above within 30 calendar days following the date of the claim denial, in accordance with N.J.A.C. 8:83-6.12.

1. The request for a fair hearing shall be made in writing, and shall specify the reasons the PAAD beneficiary, pharmacy or prescriber believes that the MEP's decision was incorrect.

2. The request for a fair hearing shall be submitted to:

PAAD MEP
PO Box 715
Trenton, NJ 08625-0715

New Rule, R.1998 d.464, effective September 8, 1998.

See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

New Rule, R.1999 d.148, effective May 3, 1999.

See: 30 N.J.R. 4109(a), 31 N.J.R. 1197(b).

Former N.J.A.C. 8:83C-1.27, Drug rebate program, recodified to N.J.A.C. 8:83C-1.28.

8:83C-1.28 Drug rebate program

Reimbursement for legend drugs shall be limited to manufacturers who have entered into a PAAD rebate agreement with the Department of Health and Senior Services through the Division of Medical Assistance and Health Services pursuant to N.J.A.C. 10:51-1.22.

New Rule, R.1998 d.464, effective September 8, 1998.

See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

Recodified from N.J.A.C. 8:83C-1.27 by R.1999 d.148, effective May 3, 1999.

See: 30 N.J.R. 4109(a), 31 N.J.R. 1197(b).