

CHAPTER 83C

PROVISION OF PHARMACEUTICAL SERVICES UNDER THE PHARMACEUTICAL ASSISTANCE TO THE AGED AND DISABLED PROGRAM (PAAD)

Authority

N.J.S.A. 30:4D-20 et seq., Reorganization Plan No. 001-1996, and the New Jersey Appropriations Act, P.L. 1998, c.45.

Source and Effective Date

R.1998 d.464, effective August 14, 1998.
See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

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Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), expires on August 14, 2003.

Chapter Historical Note

Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), was recodified from N.J.A.C. 10:51-4 by R.1998 d.464, effective September 8, 1998. See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a). See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. REQUIREMENTS FOR PROVISION OF PHARMACEUTICAL SERVICES

8:83C-1.1	Introduction
8:83C-1.2	Participation of eligible providers
8:83C-1.3	Conditions for participation as a provider of pharmaceutical service
8:83C-1.4	Program restrictions affecting payment for prescribed drugs
8:83C-1.5	Basis of payment
8:83C-1.6	Regression categories and discounts
8:83C-1.7	Prescription drug dispensing fee
8:83C-1.8	PAAD program co-payment
8:83C-1.9	Compounded prescriptions
8:83C-1.10	Non-proprietary or generic dispensing
8:83C-1.11	Provider's usual and customary charge or advertised charge
8:83C-1.12	Covered pharmaceutical services
8:83C-1.13	Non-covered pharmaceutical services
8:83C-1.14	Quantity of medication
8:83C-1.15	Dosage and directions
8:83C-1.16	Telephone-rendered original prescriptions
8:83C-1.17	Changes or additions to the original prescription
8:83C-1.18	Prescription refill
8:83C-1.19	Prescription Drug Price and Quality Stabilization Act
8:83C-1.20	Drug Efficacy Study Implementation (DESI)
8:83C-1.21	Bundled drug service
8:83C-1.22	Claim submission
8:83C-1.23	Eligible PAAD beneficiary
8:83C-1.24	PAAD beneficiary identification
8:83C-1.25	Point-of-sale (POS) claims adjudication system
8:83C-1.26	Prospective Drug Utilization Review (PDUR) Program
8:83C-1.27	Drug rebate program

SUBCHAPTER 1. REQUIREMENTS FOR PROVISION OF PHARMACEUTICAL SERVICES

8:83C-1.1 Introduction

This subchapter provides information about the provision of pharmaceutical services under the PAAD program which shall extend assistance to certain persons whose level of income disqualifies them for medical assistance under the Medical Assistance and Health Services Act, but who have medical needs for prescribed drugs and/or insulin, insulin needles, insulin syringes and diabetic testing materials and syringes and needles for injectable medicines used in the treatment of multiple sclerosis, and are unable to fully meet the cost of such items. For additional information regarding PAAD eligibility, see N.J.A.C. 8:83.

Amended by R.1998 d.464, effective September 8, 1998.
See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

Inserted "and syringes and needles for injectable medicines used in the treatment of multiple sclerosis," in the first sentence, and changed N.J.A.C. reference in the second sentence.

8:83C-1.2 Participation of eligible providers

(a) A pharmacy, with a retail or institutional permit, may participate in the PAAD program as a provider of pharmaceutical services.

(b) To be approved as a provider of pharmaceutical services, the pharmacy shall:

1. Operate under a valid retail and/or institutional permit issued by the Board of Pharmacy of the State of New Jersey. A pharmacy operating under an out-of-State retail or institutional pharmacy permit may not participate as an approved provider in the PAAD program.

2. File an application and sign an agreement with the Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS).

i. Upon sale or other change of ownership of an approved pharmacy, the agreement is automatically terminated. To execute a new agreement to participate in the PAAD program, the new owner(s) shall apply to the Division of Medical Assistance and Health Services, Department of Human Services, by contacting the Medicaid Provider Enrollment Unit (see N.J.A.C. 10:49, Administration Chapter, Enrollment Process) or the fiscal agent Provider Enrollment Unit.

3. To enroll as a Medicaid provider of pharmaceutical services, a pharmacy shall contact the Fiscal Agent Provider Enrollment Unit (see N.J.A.C. 10:51, Appendix D, Fiscal Agent Billing Supplement).

Amended by R.1997 d.252, effective June 16, 1997.
See: 28 N.J.R. 2481(a), 28 N.J.R. 3221(a), 29 N.J.R. 2678(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 a reference to the Division of Medical Assistance and Health Services in 2, and changed N.J.A.C. reference in 3.

8:83C-1.3 Conditions for participation as a provider of pharmaceutical service

(a) All participating pharmacies shall provide complete prescription services, including injectables and injectable anti-neoplastic agents, compounding, and prescription refill services, when allowable. Prescriptions must be dispensed in compliance with all current existing Federal and State laws.

(b) All drugs must be prescribed.

1. "Prescribed drugs" mean simple or compounded substances or mixtures of substances prescribed for the cure, mitigation, or prevention of disease, or for health maintenance that are:

i. Prescribed by a practitioner licensed or authorized by the state of New Jersey, or the state in which he or she practices, to prescribe drugs and medicine within the scope of his or her license and practice;

ii. Dispensed by licensed pharmacists in accordance with regulations promulgated by the New Jersey State Board of Pharmacy, N.J.A.C. 13:39; and additional prescription pricing information in accordance with P.L. 1994, c.67, as revised by P.L. 1995, c.5 (see N.J.A.C. 8:83C-1.13(b)); and

iii. Dispensed by licensed pharmacists on the basis of a written prescription that is recorded and maintained in the pharmacist's records.

(c) Participating pharmacies shall permit properly identified representatives of the Division of Medical Assistance and Health Services or Department of Health and Senior Services (DHSS) to:

1. Inspect written prescriptions on file;

2. Audit records pertaining to covered persons;

3. Inspect private sector records, where deemed necessary to determine a pharmacy's usual and customary charges to the public;

i. Information pertaining to the patient's name, address, and prescriber will remain confidential within the limits of the law. Only the following items may be reviewed:

(1) Drug name;

(2) Quantity dispensed;

(3) Price;

(4) Prescription number (for reference purposes only); and

(5) Date dispensed.

ii. The pharmacy shall provide sufficient information with regard to its contractual agreement(s) and payment history with other private third party prescription plans to identify and verify number of claims, amount paid, and dispensing fee paid by group contracts within the plan. Records and contracts shall be available on-site at the time of audit; or available within 10 working days of an on-site audit. Records shall include, but not be limited to:

(1) Payment vouchers;

(2) Contracts; and

(3) Agreements; and

4. Inspect records of purchases of covered drugs for which claims have been made for reimbursement.

Amended by R.1996 d.313, effective July 15, 1996.

See: 27 N.J.R. 3666(a), 28 N.J.R. 3573(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)1, changed N.J.A.C. reference in ii; and in (c), inserted a reference to the Department of Health and Senior Services in the introductory paragraph.

8:83C-1.4 Program restrictions affecting payment for prescribed drugs

(a) The choice of prescribed drugs shall be at the discretion of the prescriber within the limits of applicable laws. However, the prescriber's discretion is limited for certain drugs. Reimbursement may be denied if the requirements of the following rules are not met:

1. Covered and non-covered pharmaceutical services as listed in N.J.A.C. 8:83C-1.12 and 13, respectively;

2. Quantity of medication (see N.J.A.C. 8:83C-1.14);

3. Pharmaceutical services requiring pharmacist intervention as part of the PAAD Prospective Drug Utilization Review (PDUR) program (see N.J.A.C. 8:83C-1.26);

4. Dosage and directions (see N.J.A.C. 8:83C-1.15);

5. Telephone rendered original prescriptions (see N.J.A.C. 8:83C-1.16);

6. Changes or additions to the original prescription (see N.J.A.C. 8:83C-1.17);

7. Prescription refill (see N.J.A.C. 8:83C-1.18);

8. Prescription Drug Price and Quality Stabilization Act (N.J.S.A. 24:6E-1 et seq.) (see N.J.A.C. 8:83C-1.19);

i. Products listed in the current New Jersey Drug Utilization Review Council (DURC) Formulary (hereafter referred to as "the Formulary"), and all subsequent revisions, distributed to all prescribers and pharmacists; and

ii. Non-proprietary or generic dispensing (see N.J.A.C. 8:83C-1.10);

(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 and the Department of Health and Senior Services (DHSS) have established a prospective drug utilization review (PDUR) program to assist pharmacy providers with 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 approved by the Medicaid Drug Utilization Review (DUR) Board. Similar responses related to 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 approved by the Medicaid DUR Board shall be based on 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 Dr., San Bruno, CA 94066.

2. PDUR standards adopted by the Medicaid Drug Utilization Review Board or DHSS 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. Days supply alerts;
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 Medicaid 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.

8:83C-1.27 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).