

Bulletin Number: MSA 05-65

Distribution: Pharmacy, Medical Suppliers

Issued: December 1, 2005

Subject: Change in Coverage of Certain Diabetic Supplies, Heparin Lock Flush and Normal Saline Pre-Filled Syringes, and Enteral Formulas;
Enrollment as Medical Supplier (Provider Type 87)

Effective: January 1, 2006

Programs Affected: Medicaid, Children's Special Health Care Services (CSHCS), Adult Benefits Waiver (ABW) and Maternity Outpatient Medical Services (MOMS)

The purpose of this bulletin is to alert pharmacy providers to changes being implemented to facilitate coordination of benefits and crossover claims with Medicare.

Change in Coverage of Certain Diabetic Supplies, Heparin Lock Flush and Normal Saline Pre-Filled Syringes, and Enteral Formulas

Effective January 1, 2006, the following medical supply items and pre-filled syringes will no longer be covered as a pharmacy benefit by Michigan Department of Community Health (MDCH) and will be removed from the Michigan Pharmaceutical Products List (MPPL):

- Blood Glucose Test Strips
- Lancets
- Urine Glucose/Acetone Test Strips
- Nutritional Supplements (e.g., Protein Replacements, Infant Formulas)
- Heparin Lock Flush Pre-filled Syringes
- Normal Saline Pre-filled Syringes

These items will be covered as part of the medical supplier benefit. The claims submitted for these items must be billed using the appropriate procedure code(s) on the ASC X12N 837P version 4010A1 or CMS 1500 format (**not** the NCPDP version 5.1 or the Universal Claim format) to MDCH. First Health Services Corporation will no longer reimburse pharmacies for these items. The Medical Supplier Database with rates is available on the MDCH website at www.michigan.gov/mdch. Due to a comparison between the MPPL and the Medical Supplier Database, MDCH will revise certain rates based on the lesser payment. For diabetic supplies, HCPCS code A4259 will be revised to pay \$7.37 per box of 100. For enteral formula HCPCS codes without established fee rates, the payment methodology will be based on the average wholesale price (AWP) minus 13.5%. Pre-filled syringes will be reimbursed based on current Medicare rates. Only medical suppliers designated as licensed pharmacies will be able to bill MDCH for the pre-filled syringes.

Enrollment as Medical Supplier (Provider Type 87)

Effective January 1, 2006, pharmacy providers billing for the above medical supplies will be required by MDCH to be dually enrolled as a medical supplier (Provider Type 87). By dually enrolling as a medical supplier, the pharmacy will have the ability to utilize the claims crossover process for items covered under the Medicare Part B benefit. The claims crossover process allows a provider to submit a single claim for an individual dually enrolled in Medicaid and Medicare or a qualified Medicare beneficiary eligible for Medicaid payment of co-insurance and deductible to the Medicare Carrier (AdminaStar) and also have it processed for Medicaid reimbursement. Medical Suppliers will bill claims using the American Standards Committee (ASC) X12N 837 professional claim format. Further information on the claims crossover process can be obtained by referring to MDCH bulletin MSA 05-02 or the Coordination of Benefits Chapter of the Michigan Medicaid Provider Manual which is available on the MDCH website at www.michigan.gov/mdch. The Provider Type 87 ID number will only be assigned at the address that is listed on the pharmacy license and only if the items are dispensed from that site.

If a pharmacy provider has questions about their enrollment as a Medical Supplier, they may contact the MDCH Provider Enrollment Unit at (517) 335-5492.

To enroll as a Medical Supplier or to reinstate a previously assigned Medicaid billing identification number, the pharmacy can obtain an enrollment packet by contacting the Provider Enrollment Unit at (517) 335-5492 or downloading the Medical Assistance Provider Enrollment & Trading Partner Agreement (form DCH-1625) from the MDCH website at www.michigan.gov/mdch, click on "Providers", click on "Information for Medicaid Providers", click on "Provider Enrollment". Once the enrollment agreement has been completed, it must be submitted to the address indicated, along with a copy of the pharmacy license, a copy of the pharmacy tax number, and a written request to be enrolled as a Medical Supplier.

Manual Maintenance

This bulletin should be retained until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Michigan Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Paul Reinhart, Director
Medical Services Administration