

IMPORTANT INFORMATION REGARDING

2016 CMS MEDICARE CHANGES AND PROCESSING INFORMATION

This notice is provided as a general reference regarding new processing requirements and program changes for the Part D benefit for 2016. It also seeks to reinforce already established practices. While OptumRx seeks to include as much as possible in these notices, it is important to always refer to the online claims system response at Point of Sale:

Valid Prescriber NPI Required

Effective January 1, 2016 all Medicare claims must be submitted with an active and valid Type 1 (Individual) NPI. Claims submitted without a Type 1 NPI will be rejected with NCPDP reject 619 – "Type 1 NPI Required."

On April 16, 2015 the Medicare Access and CHIP Authorization Act of 2015 (MACRA) was signed into law. Section 507 of MACRA amends Section 1860D-4(c) of the Social Security Act by requiring that pharmacy claims for covered Part D drugs include an active and valid Type 1 NPI. Beginning January 1, 2016 a Part D sponsor cannot pay a claim that does not have an active and valid prescriber NPI. This legislation invalidates two existing processes:

- 1. Use of Submission Clarification Code (SCC) value 49 "Prescriber does not currently have an Active Type 1 NPI" to override rejects. Effective January 1, 2016 pharmacies must submit an active and valid NPI the SCC 49 value will be discontinued.
- 2. Crosswalking of a submitted DEA number to a valid Type 1 NPI for PDE submission. Processors will no longer be able to crosswalk non-NPI prescriber IDs; the Type 1 NPI must be submitted on the claim

Fraud, Waste, and Abuse Training and Compliance

As per June 17, 2015 CMS memo, beginning in 2016 only CMS training materials located on the Medicare Learning Network (MLN) will be allowed and the content of these materials **cannot** be modified in order to ensure the integrity and completeness of the training. Your Attestation for Training is due no later than December 20, 2015 to OptumRx.

Medicare Prescription Drug Coverage and Your Rights Standardized Pharmacy Notice (CMS-10147)

Per requirements at 42 CFR §423.562(a)(3) and §423.128(b)(7)(iii), each Medicare Part D plan sponsor must arrange with its network pharmacies for the distribution of the standard pharmacy notice. This standard pharmacy notice is intended to educate Part D enrollees of their rights when a prescription cannot be covered ("filled") under the Medicare Part D benefit at point of sale. The notice must be provided to the enrollee if the pharmacy receives a transaction response (rejected or paid) indicating the claim is not covered by Part D (NCPDP Reject code 569); posting of the notice does not meet the requirement. The notice instructs enrollees about their right to contact their Part D plan to request a coverage determination, including an exception. This notice can be found on our website at www.catamaranrx.com/pharmacies in both English and Spanish.



Requirement for MAC (Maximum Allowable Cost)

On April 6, 2015, CMS issued "Announcement of Calendar Year (CY) 2016 Medicare Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter." In the Final Call Letter, CMS codified the MAC pricing requirements included in CMS-4159-F (final rule). The final rule added MAC pricing to existing prescription drug pricing standards, which requires pharmacy drug cost pricing to be updated at least every seven calendar days. Sponsors are also required now to disclose MAC prices to applicable pharmacies in advance of their use for reimbursement. The portion of the Final Call Letter that speaks to the MAC pricing disclosure requirement is below:

Effective January 1, 2016, drug pricing based on maximum allowable cost (MAC) is subject to the regulations governing the disclosure and updating of prescription drug pricing standards at 42 CFR §§423.501; 423.505(b)(21); and 423.505(i)(3)(vii). When updating MAC prices, the regulations will also require Part D sponsors to disclose the drug prices to the applicable pharmacies in advance of their use for reimbursement, if the source for any prescription drug pricing standard is not publicly available. We explained in the preamble to the final rule (4159-F) that these changes mean that Part D sponsors will have to convey to network pharmacies the actual MAC prices to be updated in advance (70 Fed. Reg. 29883, May 24, 2014). We also stated in the preamble that final rule does not specify any particular time period for advance notice of MAC prices to network pharmacies.

In the final rule, we declined to require a certain format layout and delivery method for disclosure of maximum allowable cost prices. However, we stated in the preamble that an option could be a secure internet site that allowed network pharmacies to look up their drug prices. We further stated that the site or other delivery method to convey MAC prices would have to enable the pharmacies to connect a claim to the correct drug price at the appropriate point in time in order to validate the price (70 Fed. Reg. 29884, May 24, 2014).

In December 2015, OptumRx implemented enhanced Provider Portal functionality to allow pharmacies to access MAC pricing online and in advance of reimbursement as required in above outlined CMS Final Rule. All Pharmacies, who are contracted, in good standing, and regardless of chain or affiliation, may register to use the new Maximum Allowable Cost Lookup Tool on the MAC Pricing page of the OptumRx Healthcare Professionals Website by visiting https://hcp-prod.optumrx.com/RxsolHcpWeb/index.html

Required submission of the Pharmacy Service Type Code & required submission of the Patient Residence Code:

This Began in 2014 and continues to be enforced in 2015, CMS is requiring valid Patient Residence and Pharmacy Service Type values. Therefore, claims with a missing or invalid code will reject at point-of-sale. Pharmacies must include a valid Patient Residence code on all Part D claims transactions; however if the patient residence is unknown, these pharmacies may default to a Patient Residence of 01 (Home). CMS expects that LTC pharmacies, home infusion pharmacies and specialty pharmacies, since they deliver to the patient residence, know the patient residence code.

Valid Pharmacy Service Type codes currently include the following values:



Community/Retail Pharmacy Services;

- 2- Compounding Pharmacy Services;
- 3- Home Infusion Therapy Provider Services;
- 4- Institutional Pharmacy Services;
- 5- Long Term Care Pharmacy Services;
- 6- Mail Order Pharmacy Services;
- 7- Managed Care Organization Pharmacy Services;
- 8- Specialty Care Pharmacy Services; and
- 99-Other

Valid Patient Residence codes at this time include:

- 0- Not specified, other patient residence not identified below;
- 1- Retail; Home Infusion;
- 3- Nursing Facility;
- 4- Assisted Living Facility;
- 6- Group Home;
- 9- LTC: Intermediate Care Facility/Mentally Retarded; and
- 11- Hospice

General Guidance:

Please ensure that your pharmacy:

- Provides the required written appeals notice (CMS 10147) to the Part D member when prompted by the online transaction response.
- Provides a transition fill, as required when prompted by the online transaction response. The purpose of a transition fill is to ensure there is no disruption in therapy,
- Routinely screens all new employees against both the OIG and GSA exclusion lists and again monthly. In addition you must remove all employees, contractors or any party involved in the delivery of the drug benefit from administering the Medicare Part D prescription drug benefit if found on this listing.
- Completes the required annual Fraud, Waste and Abuse and Compliance training and ensures that all new employees, contractors or any party involved in the delivery of the drug benefit complete this training within ninety (90) days of hire

Faxed general announcements and the Pharmacy Manual can be found at the following: http://learn.optumrx.com/pharmacymanual
Our Help Desk is available 24 hours a day, 7 days a week.
Should you have questions or require assistance, please contact us at the following:

OptumRx Help Desk Contact Information

- UnitedHealthcare Medicare Advantage Prescription Drug Plan (MA-PD): 1-877-889-6510
- UnitedHealthcare[®] Medicare Prescription Drug Plan (PDP): 1-877-889-6481
- UnitedHealthcare® Medicaid Programs: 1-877-305-8952 or 1-888-306-3243
- UnitedHealthcare[®] Employer & Individual: 1-800-788-7871
- Provider Relations Provider.realtions@optum.com 1-877-633-4701