

Medicare Part D Compliance Update for Pharmacies

Volume 1, Issue 11

December 2011

Medicare Part D Compliance Newsletter

Updating your pharmacy on current Medicare Part D compliance issues.

This is the quarterly issue of the Medicare Part D Compliance Newsletter which is being provided to you on behalf of the Medicare Part D Plan sponsors contracted with CVS Caremark Part D Services, LLC, which utilizes the CVS Caremark retail pharmacy network. The goal of this newsletter is to provide your pharmacy with updated information regarding Medicare Part D compliance issues, fraud, waste and abuse prevention, and general information to assist your pharmacy in complying with Medicare Part D requirements. We believe the pharmacies, pharmacists and technicians play a vital role in Medicare Part D compliance, and fraud, waste and abuse (FWA) prevention, and detection efforts.

2011 Annual Compliance/FWA Training

****Reminder****

As most pharmacies are aware, the Centers for Medicare & Medicaid Services (CMS) requires that Medicare Part D Plan sponsors (both MAPD and PDP plans) provide compliance and FWA training to its employees and downstream entities, including pharmacy providers.

All pharmacies participating in the CVS Caremark Medicare Part D network were sent FWA training materials in October 2011 that could be downloaded from the internet and used to provide appropriate training for your staff.

Since this is an annual requirement, the training needs to be completed before December 31, 2011.

Certifying Completeness

The training materials include instructions on how to “certify” that the training has been completed. For more information, visit www.caremark.com/pharminfo and click on “Pharmacy Attestation of Completed FWA Training.”

Recent Regulatory Changes that Impact Pharmacies

The following are some recent regulatory changes/updates that affect pharmacies.

Prompt Payment of Clean Claims to the Pharmacy

In a Final Rule issued in the Federal Register on September 1, 2011, CMS clarified the rules regarding Prompt Payment of Clean Claims to the Pharmacy (which was effective January 1, 2010). Specifically, CMS clarified the following regarding the payment of claims by Part D plan sponsors to pharmacies:

- 1) The word “days” means “calendar days.”
- 2) The notifications to pharmacies for non-clean claims must include any and all defects or improprieties in a single notice, and must list all additional information necessary for the proper processing and payment of the claim, whether an electronic point of service (POS) claim or non-electronic paper claim.

Revised Standardized Pharmacy Notice (CMS-10147)

Effective January 1, 2012, whenever a prescription drug cannot be covered under the Medicare Part D prescription drug benefit at the POS, the pharmacy will be required to give the beneficiary a printed copy of the Standard Pharmacy Notice, as required by the April 2011 Final Rule. The POS pharmacy notice will tell the beneficiary how to request a coverage determination by contacting the plan sponsor. CMS published a draft of the Standard Pharmacy Notice on September 16, 2011, and accepted public comments and plans to release the Standard Pharmacy Notice in November 2011.

Verifying Prescriber Information Foreign Prescribers and Valid Prescriber Identifiers

Part D Plans may continue to accept NPI, DEA, uniform provider identification number (UPIN) or State license numbers as the prescriber ID, but the identifier used must be active and valid. CMS clarified that when a claim is submitted with a foreign prescriber ID (where permitted by state law), since the foreign prescriber ID cannot be validated, we should report on

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the PDE what was submitted on the claim. Pharmacy contracts will require that the pharmacies agree to provide active and valid prescriber identifiers and, if necessary, retrospectively be prepared to obtain the prescriber ID and correct the claim (e.g., reverse and resubmit with proper prescriber ID) before the PDE is submitted to CMS. CMS makes clear that claims should not be rejected at POS simply because of an invalid prescriber ID. CMS expects plans to validate them and correct prescriber IDs post POS for any that don't "match" a valid one at the time of processing prior to PDE submission.

NCPDP Task Groups reached consensus that all pharmacies will submit POS foreign prescriber claims with the state license qualifier of "08" along with the prescriber ID issued by that foreign jurisdiction. New message codes that will communicate consistent messages to the pharmacy regarding invalid prescriber IDs have been approved by NCPDP for implementation after April 2012.

It is CVS Caremark Part D Services' and our contracted Medicare Part D Plan Sponsor's expectation that only valid prescriber identifiers will be submitted on POS claims.

Verifying Prescriber Information – Controlled Substances

Plans are required to ensure that the prescriber's DEA is valid for Schedule II-V drugs and confirm that the controlled substance is within the prescriber's "scope of practice." CMS mentions that data sources plans can use for these efforts may be from industry files or from the DEA Controlled Substance File.

CVS Caremark's Expectation

It is CVS Caremark Part D Services' and our contracted Medicare Part D Plan Sponsor's expectation that only valid prescriber information will be submitted on POS claims. CVS Caremark requires the pharmacy to enter the accurate, valid National Provider Identifier (NPI) of the prescriber on all claims. If the prescriber is from a foreign country and not licensed in the United States, the pharmacy must submit the claim with a prescriber identifier of "08" (within the 466-EZ Prescriber ID Qualifier Field). If the medication is a Schedule II-V drug, the pharmacy must

validate that the prescriber has an active and valid Drug Enforcement Administration (DEA) number.

Our retail services team will be reviewing claims for valid prescriber identifier information to confirm pharmacies' compliance with this requirement. Claims submitted with prescriber identifier information that cannot be confirmed as valid (e.g., NPI or DEA, matched within the national provider database), will be flagged as invalid for retrospective review as these claims will not be valid for submission to CMS and therefore must be corrected. Claims deemed invalid will be communicated back to the pharmacy for correction of the claim.

CMS 10147 (Notice to Enrollees of their Rights)

There are new changes to the use of this notice meant to provide enrollees with information related to their rights regarding Medicare prescription coverage. Medicare Part D beneficiaries must be given a copy of this notice when a prescription cannot be filled. The option of posting the sign has been eliminated (76 FR 21432 – final rule published April 15, 2011).

Reporting Fraud, Waste and Abuse

CVS Caremark Part D Services encourages pharmacy personnel to report all suspected fraudulent activities. All reports are treated confidentially and will be investigated. Please include as much detail as possible (e.g., dates and times, names, addresses and specifics about the alleged suspicious activity). In addition to the resources noted previously, reports can be made to the CVS Caremark Part D Services' Fraud, Waste and Abuse Program via email at medicarefraud@caremarkrx.com or **by calling the Fraud, Waste and Abuse Hotline toll-free at 1-888-277-4149.**