

**Effective with date of service 04/01/2017** the All Inclusive Rate (AIR) shall be reimbursed for federally reimbursable drugs rather than pharmacy clinic consult services.

IHS/638 facility Pharmacy outpatient services for Title XIX (Medicaid) recipients are required to be billed using revenue code 0519, the National Drug Code (NDC) of the medication and the facility's NPI billed as the attending provider on the UB-04 claim form (837I for electronic claims)

1. The Indian Health Services and 638 Tribal facility pharmacies shall bill AHCCCS the AIR using the date of service, also known as the fill date. AHCCCS allows one outpatient pharmacy clinic encounter per recipient, per date of service regardless of the number of pharmacy services during the encounter. (Note: the number of clinic visits per recipient, per date of service is limited to 5, one of which can be the outpatient pharmacy clinic visit.)
2. The AIR shall be reimbursed for the first federally reimbursable drug when a claim is submitted for multiple drugs on the same date of service/fill date.
3. The AIR shall be reimbursed for the first federally reimbursable drug when claims are submitted on separate claims forms for drugs billed on the same date of service/fill date.
4. Three-month supplies of medication dispensed to the recipient shall be billed and reimbursed as one AIR for the first federally reimbursable drug whether submitted as individual claims or three separate claims on the same date of service/ fill date.
5. The pharmacy must provide verification, upon request, that the recipient received the prescribed drug within 7 days of the date of service/fill date, as evidenced by, at a minimum, acknowledging receipt of the prescribed drug when the drug is dispensed to the recipient or the recipient's representative at the pharmacy or other methodology if the drug(s) are mailed to the member.
6. If prescribed drugs are "returned to stock" and the facility has been reimbursed the AIR, the facility shall submit a void to AHCCCS for the AIR when the recipient did not receive the service.
7. When a non-IHS/638 pharmacy is used to provide mail order or centralized pharmacy services, the Mail Order or Centralized Pharmacy must be an AHCCCS

registered provider and must comply with all regulations as stated in the Provider Participation Agreement (PPA).

8. Adult (age 21 and older) seasonal flu and pneumococcal vaccines administered by the facility's pharmacist are also considered a pharmacy outpatient service when administered by a pharmacist who has obtained the Immunizer Certificate from the American Pharmacists Association.
9. Refer to AMPM Policy 310-V Prescription Medication/Pharmacy Services for program guidelines, limitations and exclusions.
10. The AIR shall not be reimbursed when:
  - a. More than one federally reimbursable drug claim per day is submitted.
  - b. The pharmacy is out-of-stock of a medication. The AIR shall only be billed and reimbursed when the recipient is dispensed the initial available quantity. The pharmacy shall not bill a second AIR when the remaining quantity of the prescription is dispensed.
  - c. The recipient receives a maintenance medication for an ongoing or chronic condition and the quantity dispensed is less than a 30-day supply unless:
    - i. The medication is new to the recipient's drug regimen; or
    - ii. The previous drug dosage has changed in the frequency ordered or the dosage strength of the medication; or
    - iii. The recipient's medication is lost or stolen as documented in the recipient's pharmacy profile.
  - d. The prescribing clinician has ordered a 30-day supply of medication to be dispensed in smaller quantities. Only one AIR rate may be billed to AHCCCS.
  - e. Controlled substance prescriptions dispensed to a recipient are written by a prescribing clinician with an invalid DEA number.
  - f. Prescription drugs dispensed to a recipient were written by a prescribing clinician whose license has expired or is prescribing outside the restricted limitations of their license.

### **Prescription Drug Coverage Limitations**

IHS and Tribal 638 pharmacists and pharmacies are not required to be licensed in the State of Arizona. However, all pharmacists and pharmacies providing prescription medications, to AHCCCS recipients and Non-Title XIX SMI recipients, must adhere to all Arizona State Board of Pharmacy and Federal rules and regulations.

AHCCCS covers the following for AHCCCS recipients and non-Title XIX SMI recipients who are eligible to receive Medicare:

1. An Over-the-Counter (OTC) medication that is not covered as part of the Medicare Part D prescription drug program and is prescribed in place of a covered prescription medication that is clinically appropriate, equally safe and effective, and more cost effective than the covered prescription medication.
2. A drug that is excluded from coverage under Medicare Part D by CMS and the drug is medically necessary and federally reimbursable.

Refer to the AHCCCS Pharmacy webpage for the AHCCCS Duals Formulary at <https://www.azahcccs.gov/Resources/Downloads/PharmacyUpdates/AHCCCSDualFormulary.pdf>

### **AHCCCS Pharmacy Benefit Exclusions**

1. Medication prescribed for the treatment of a sexual or erectile dysfunction, unless prescribed to treat a condition other than a sexual or erectile dysfunction and the Food and Drug Administration (FDA) has approved the medication for the specific condition.
2. Medications that are personally dispensed by a physician, dentist or other provider except in geographically remote areas where there is no participating pharmacy or when accessible pharmacies are closed.
3. Drugs classified as Drug Efficacy Study Implementation (DESI) drugs by the FDA.
4. Outpatient medications for individuals under the Federal Emergency Services Program (FESP).
5. Medical marijuana. Refer to AMPM Policy 3120-M Medical Marijuana.
6. Drugs eligible for coverage under Medicare Part D for AHCCCS recipients eligible for Medicare whether or not the recipient obtains Medicare Part D coverage.
7. Pharmacies are prohibited from auto-filling prescription medications.
8. Repackaged medications are not federally reimbursable.