

Provider Communications New Short-Term Dispensing Policy

Effective September 9, 2008, the NIHB Program will implement a policy which establishes compensation rules for short-term dispensing of medications used for chronic conditions.

Overview

- It is the Program's expectation that certain medications required for long-term maintenance therapy should be prescribed and dispensed in up to 100 days supplies.
- For refills for medications requiring short-term dispensing for a shorter time than 28 days due to compliance concerns, the Program will only reimburse a total of one dispensing fee per 28 days, except:
 - a. Refills for intermittent treatment of a chronic disorder (e.g. dosage change)
 - b. Refills of methadone
 - c. Others as identified by this policy
- For certain "high-risk" drugs where safety, risk of diversion and compliance are of concern, a less than 28 day supply will be compensated.

Further details are set out below.

Application

A/ Minimum 28 day supply

NIHB will consider compensation for no more than one dispensing fee every 28 days for chronically used oral medication, as outlined in the NIHB Short-Term Dispensing Policy Drug List. (See Appendix attached)
Medications on the list include (but are not limited to) drugs in the following categories:

H₂-Receptor antagonists
Proton pump inhibitors
Drugs for diabetes
Urinary anti-spasmodics

Prostaglandins
Enzyme preparations
Cardiovascular drugs
Alpha-adrenoreceptor antagonists

Thyroid therapy
Anti-dementia drugs

Anti-Gout drugs
BPH drugs

GI anti-inflammatory drugs

Other drugs for peptic ulcer and gastro-esophageal reflux disease (GERD)

Drugs for treatment of bone diseases

OTCs (including vitamins)

Anti-Parkinsonian drugs

Anti-platelet aggregation drugs

Note: this list may be amended as required and changes will be communicated through the quarterly drug bulletin and as on-line updates to the Drug Benefit List

Compensation:

The compensation will be no more than the negotiated dispensing fee for each 28 days supplied. NIHB will continue to audit and recover in instances where quantity reduction occurs.

B/ Less than 28 Day Supply

The drug categories for which less than a 28 day supply will be compensated are:

antidepressants
anti-psychotics
narcotics
benzodiazepines

Through provider audit, special attention will be given to these drug categories to ensure the appropriateness of short-term dispensing in all cases.

C/ Implementation

- 1) When filling a new prescription for a chronic use drug, the Program will pay a full dispensing fee regardless of the days supply. A new prescription may include a dosage change or an intermittent treatment, based on an assessment by a prescriber.
- 2) When refilling a prescription for a chronic use drug that is for less than a 28 day supply or when a need for compliance packaging is identified by the prescriber, the Program will pay no more than one full dispensing fee per 28 day period.

- 3) A refill is defined as the second and all subsequent fills for a given strength and dosage of a drug.
- 4) Once fully operational, a system flag of "N-new" or "R-refill" will be used by the provider to identify the transaction type, by keying N or R in the "New/Refill Code" field on their provider software. If the provider leaves this field blank, the adjudication system will default to "R" for chronic use drugs as identified by the Program and the dispensing fee will be adjusted according to the days supply. If, for example, the prescription is for a dosage change, the provider should enter "N" in this field and the Program will pay a full dispensing fee.

D/ Audit parameters:

- 1) For drugs outside the 28 day minimum supply list, in instances where a less than 28 day supply is dispensed, NIHB may contact the prescriber in order to obtain a justification for the rationale.
- 2) Where short-term dispensing is not supported by the physician, the excess associated fees will be reclaimed.
- 3) The consistent use of the "N" flag by providers will be monitored by the Program and inappropriate short-term billing of chronic use drugs will be recovered.

E/ Effective Date

The policy will be in place from September 9, 2008. As of September 9, 2008, the provider will be required to modify the dispensing fees transmitted to the Program for the transactions involved, in accordance with this short-term dispensing policy. The claim processing system changes will be in place November 1, 2008. Until the system changes are in place, NIHB, through its audit processes, will review all claims for refills for benefits, in the categories above to identify instances where refills are being provided at a frequency of less than 28 days.

If you require any further clarification, please contact your FNIH Regional Office at 1-800-665-8507.