

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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November 3, 2008

MEDICAID BULLETIN

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TO: Medicaid Providers

SUBJECT: Pharmacy Lock-In Program for Beneficiaries Using Multiple Pharmacies

The South Carolina Department of Health and Human Services has implemented a Beneficiary Pharmacy Lock-In Program. The purpose of this program is to address issues such as coordination of care, patient safety, improper or excessive utilization of benefits, and potential fraud and abuse associated with the use of multiple pharmacies and/or physicians. Beneficiaries placed in the Pharmacy Lock-In program will only be able to obtain prescriptions paid by Medicaid from a single pharmacy. Pharmacy Lock-In for the first group of beneficiaries will be effective December 1, 2008.

The Division of Program Integrity will review beneficiary profiles in order to identify beneficiaries appropriate for this program. We will also take referrals through our Medicaid Fraud and Abuse Hotline (1-888-364-3224).

Once a beneficiary has been identified for Lock-In, he/she will be sent a letter notifying him/her of the decision, allowing them time to choose the pharmacy they wish to use as their Lock-In pharmacy and providing them with appeal rights. If they fail to choose a pharmacy, one will be chosen for them. Once a pharmacy is chosen, the Division of Program Integrity will notify the pharmacy. The pharmacy will have a chance to opt out if they choose to do so. After the appeal period has passed and a pharmacy has been selected, a final Lock-In letter will be sent to the beneficiary notifying them which pharmacy they are locked into and the beginning date of Lock-in. The beneficiary must obtain all Medicaid prescriptions from their Lock-In pharmacy. All other claims from any other pharmacy will be denied at the point of sale. Beneficiaries will be placed in the program for one year, after which time they will be removed from the program but their claims will continue to be monitored.

/s/

Emma Forkner
Director

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Note: To sign up for Electronic Funds Transfer of your Medicaid payment, please go to <http://www.dhhs.state.sc.us/dhhsnew/hipaa/index.asp> and select "Electronic Funds Transfer (EFT)" for instructions.