

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
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August 30, 2007

MEDICAID BULLETIN

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TO: Providers Indicated

SUBJECT: Rules for Medicaid Tamper-Resistant Prescription Pads

Effective October 1, 2007, Medicaid covered outpatient prescription and OTC (over-the-counter) drugs will be reimbursable **only** if non-electronic prescriptions are issued on a tamper-resistant pad. These new federal requirements result from amendments to section 1903(i) of the Social Security Act, as required by Section 7002(b) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007. Electronic prescriptions meeting Federal and State requirements are excluded from this requirement.

To be considered tamper-resistant a prescription pad must contain as of October 1, 2007, **at least one** of the following three characteristics:

- * One or more industry-recognized features designed to prevent unauthorized copying of a completed or blank prescription form.
- * One or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber.
- * One or more industry-recognized features designed to prevent the use of counterfeit prescription forms.

No later than October 1, 2008, a prescription pad **must contain all three** characteristics to be considered tamper-resistant and Medicaid reimbursable.

This rule **does** apply to nursing facilities, intermediate care facilities for the mentally retarded, and other like residential facilities where their prescriptions are separately reimbursed by Medicaid and not included in the facility's rate.

The tamper-resistant pad requirement rule does **NOT** apply to refills of prescriptions presented at a pharmacy before October 1, 2007. In addition the requirement does **NOT** apply to e-prescriptions transmitted to the pharmacy, prescriptions faxed to the pharmacy or prescriptions communicated to the pharmacy by telephone by a prescriber. The requirement does **NOT** apply to managed care entities when the managed care entity pays for the prescription.

To the extent permissible under State and Federal law and regulation, this requirement does not restrict emergency fills of non-controlled or controlled substances for which a prescriber provides the pharmacy with a verbal, faxed, electronic or compliant written prescription(s) within 72 hours after the date on which the prescription(s) was issued.

Future post-payment audits of pharmacy claims for Medicaid reimbursement, whether conducted by the DHHS Division of Program Integrity or any other agent, will review compliance with the above requirements. After October 1, 2007, any pharmacy that received Medicaid reimbursement for written, non-electronic outpatient prescriptions and/or their refills, issued on prescription pads that did not meet the above criteria for tamper-resistant or those that were not exempt from the criteria, will be required to repay the full Medicaid reimbursement for the prescription(s).

Questions regarding this bulletin should be directed to the Department of Pharmacy Services at (803) 898-2876 or your program representative. We appreciate your continued support of the South Carolina Medicaid program.

/s/

William Wells
Deputy Director

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NOTE: To receive Medicaid bulletins by email, please send an email to bulletin@scdhhs.gov indicating your email address and contact information.

To sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions: <http://www.scdhhs.gov/dhhsnew/serviceproviders/eft.asp>