



Government Affairs Alert

April 13, 2011

Georgia Fee Schedule Update – Impact to Billing and Reimbursement for Repackaged Drugs

The Georgia State Board of Workers' Compensation (BWC) recently announced adoption of revised language to their medical fee schedule, effective April 1, 2011. Overall, the changes to the pharmacy fee schedule are minimal (increase in pharmacy dispensing fees); however, the revised rule provides specific requirements—and controls—for billing and reimbursement of repackaged drug products.

In particular, the following changes are as follows:

- Increases pharmacy dispensing fee to \$6.15 for generics (previously \$6.08) and \$4.11 for single-source brands (previously \$4.06)
- Adds the following language concerning the NDC required for repackaged products: *“All pharmaceutical bills submitted for repackaged products must include the NDC of the original manufacturer or distributor stock package used in the repackaging process.”*
- Adds the following language concerning reimbursement for repackaged products: *“The reimbursement allowed shall be based on the current published manufacturer’s AWP price of the product as of the date of dispensing.”*

Please note the fee schedule continues to require prescription drugs be dispensed using an Orange Book therapeutic equivalent drug (generic mandate) when available unless prescribing physician designates in his/her own handwriting, on face of prescription(s), “Brand Medically Necessary” or “Brand Necessary.”

A copy of the revised pharmacy fee schedule rules can be found at:

<http://www.files.georgia.gov/SBWC/Files/PharmacyNotableChanges11.pdf>

Control of Repackaged and Doctor Dispensed Medications

By inserting additional language requiring provision of original NDCs when calculating reimbursement for repackaged medications, the GA-BWC hopes to control the rising cost of repackaged drugs. Either on their own or through joint efforts with PMSI, payors should ensure bills for repackaged medications fully comply with the new rule. Specifically, when an unrecognized or unpublished NDC number is indicated or transmitted on a provider bill, PMSI and our carrier clients may reject the initial bill and request the dispensing entity to provide the recognizable/published underlying drug product NDC. This will ensure proper drug product reimbursement for repackaged medications.

As your partner, PMSI stands ready to assist you in utilizing the new requirements to ensure cost containment of repackaged and doctor dispensed medications in Georgia. PMSI has already taken necessary compliance actions to address both in-network and out-of-network bills submitted for repackaged medications.



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If you have any questions regarding this communication or any other government-related topic, please contact your dedicated Account Manager. You may also contact our Director of Government Affairs, Kevin Tribout at Kevin.Tribout@pmsionline.com or 813.627.2445.

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