

Information on Medicaid Rules Surrounding Cash Payments for Controlled Substances

Background

Current Medicaid Rules state:

Payment in Full. If a provider accepts Medicaid payment for a covered service, the Medicaid payment must be accepted as full payment for that service, and the participant cannot be billed for the difference between the billed amount and the Medicaid allowed amount. (3-30-2007)
IDAPA 16.03.09.210.04

In the 2019 Legislative Session a new rule was also approved:

Prohibition Against Cash Payment for Controlled Substances. Pharmacy providers are prohibited from accepting cash as payment for controlled substances from persons known to be Medicaid participants. (4-11-19) IDAPA 16.03.09.663.07

The term “cash” is meant to refer to any form of private or self-pay including cash, check, or credit card.

The following information is provided to help pharmacies comply with these rules.

Frequently Asked Questions (FAQs)

Q. Why was this rule put in place?

A. The mission of the Idaho Department of Health and Welfare is to promote and protect the health and safety of Idahoans. This new rule aims to ensure the safety of Medicaid participants and other Idahoans.

Q. What are the main issues that Idaho Medicaid is concerned with?

A. Currently Idaho Medicaid’s primary concern is opioid overutilization; however, Medicaid is also concerned about overuse of benzodiazepines, carisoprodol and stimulants.

Opioids

- Adequate pain relief should be safe and effective. The current CDC guidelines for chronic non-cancer pain recommend prescribing the lowest effective opioid dose, assessing individual benefits and risks when considering increasing doses to ≥ 50 morphine milligram equivalents (MME)/day and avoiding increases to total doses of ≥ 90 MME/day for most patients.
- While opioids may provide short-term pain relief, there is no evidence that they maintain pain relief, improve a patient’s ability to function or improve quality of life over long periods of time for patients with chronic non-cancer pain. Studies do show, however, that long-term use is associated with an increased risk of overdose, opioid-related adverse events and opioid use disorder.

- Idaho Medicaid has made significant strides in limiting newly started patients to a total daily MME < 90 mg inclusive of all opioid preparations. Medicaid has also worked with providers to taper down patients currently receiving high doses to much lower doses. Unfortunately, the PMP shows that many of these patients continue to pay cash for additional opioids bringing their total daily MMEs in some cases to 2000 mg or more.
- Idaho Medicaid is also concerned with issues of unrecognized opioid-induced hyperalgesia, diversion to non-Medicaid patients and the circumvention of Medicaid's federally mandated prospective drug utilization edits which enhance patient safety through evaluation of drug interactions, duplications, and contraindications.

Benzodiazepines

- Idaho Medicaid is concerned about the concurrent use of multiple different benzodiazepines as well as the use of benzodiazepines together with opioids and other centrally acting CNS depressants. Medicaid has also noted and is concerned about long-term use of benzodiazepines as monotherapy in anxiety disorders, without any other anxiolytic such as a SSRI or SNRI.

Carisoprodol (Soma)

- Carisoprodol is only FDA approved for acute treatment with a maximum of three weeks of therapy. Carisoprodol has addictive potential and can increase the risk of overdose when mixed with other CNS depressants.

Q. What should a pharmacy do about prescriptions that patients are currently paying cash for?

A. We do not want to put any participants at risk by abruptly discontinuing their medications. As an agency we are patient-centered and recognize patient individuality and needs.

- Help us help you by identifying and informing us of Medicaid patients who are currently paying cash for controlled substances. Call the Medicaid pharmacy program at 208-364-1829 or fax us at 800-327-5541. We will reach out to the prescriber and work with them on changing therapy or developing tapering plans. During this transition we will temporarily pay for most of these prescriptions. If you have notified us, you may accept cash for current patients for one full prescription while we work with the prescriber.

Q. What about new prescriptions when the patient requests to pay cash?

A. Encourage the prescriber to contact Idaho Medicaid at 208-364-1829. We will work with the prescriber to establish an agreed upon dose with future tapering as necessary. You may use the 72-hour emergency override as needed when the dispensing pharmacist's professional judgement deems the prescription medically necessary.

Q. Can you explain the 72-hour emergency override process?

A. The 72-hour emergency override allows the patient to get up to a 72-hour emergency supply of medication while Medicaid processes the prior authorization and works with the prescriber on alternative doses and therapy.

- The override codes for billing a 72-hour emergency supply are:
 - Reason for Service code: TP (Payer/processor question)
 - Professional Service code: MR (Medication review)
 - Result for Service code: 1F (Filled, with a different quantity)

Q. Can the patient lose their Medicaid coverage, or can the pharmacy lose their provider status by allowing a cash payment?

A. Again, the primary objective for this rule is patient safety. It is not meant to be punitive.

- The rule is tied to the Medicaid Provider (Pharmacy) Agreement and there are no consequences for the patient.
- Idaho Medicaid acknowledges that persons presenting at the pharmacy may not be known to the pharmacy as a Medicaid participant and may not identify themselves as such. Idaho Medicaid will not be looking at isolated or single incidents of cash payments. Idaho Medicaid will be monitoring only for pharmacies repeatedly allowing cash payments over time.

Q. What about drugs that are excluded from payment by Medicaid?

A. Drugs such as codeine cough preparations and drugs used for weight loss such as phentermine that are excluded from Medicaid coverage may still be dispensed for cash at the discretion of the pharmacist, since no pathways such as prior authorization exist for these drugs to be paid for by Medicaid.

Q. Are patients allowed to use Discount Cards?

A. Most discount cards are considered cash and would not be allowed under this rule. Most suppliers will have a disclaimer that the card cannot be used in combination with Medicaid coverage.

Q. How does Medicaid plan to implement this rule?

A. Medicaid is attempting a phased implementation plan starting in July 2019. We want to prevent new cash prescriptions while working with prescribers on current patients paying cash. In no case do we want to abruptly stop treatment or prevent patients from getting necessary therapy. Pharmacies are encouraged to contact us about current and new patients and to reach out to prescribers to contact Medicaid as described above. Medicaid recommends the use of the established 72-hour emergency override process when needed.