

PHARMACY SERVICES

PHARMACY FEE SCHEDULE

Payment for drugs and medications, including all oral nonlegend drugs, will be based on the pricing methods described below. Refer to WAC 296-20-01002 for definition of Average Wholesale Price (AWP).

Drug Type	Payment Method
Generic and single or multisource Brand	AWP less 10% (+) \$ 4.50 professional fee
Brand with generic equivalent (substitution allowed)	AWP less 10% (+) \$ 3.00 professional fee
Compounded prescriptions	Allowed cost of ingredients (+) \$4.50 professional fee (+) \$4.00 compounding time fee (per 15 minutes)

Orders for over-the-counter nonoral drugs or nondrug items must be written on standard prescription forms. Price these on a 40% margin.

Prescription drugs and oral or topical over-the-counter medications are nontaxable (RCW 82.08.0281).

COVERAGE POLICY

The outpatient formulary can be found in [Appendix F](#), page **222** at the end of this document or at <http://www.Lni.wa.gov/ClaimsIns/Providers/Treatment/Presc/default.asp>

Preferred Drug List

L&I uses a subset of the Washington State Preferred Drug List (PDL). A current list of the drug classes that are part of the workers' compensation benefit and on the PDL is available at <http://www.Lni.wa.gov/ClaimsIns/Providers/Treatment/Presc/PDL.asp>.

Endorsing the Preferred Drug List

Providers may endorse the PDL by:

- Registering online at <http://www.rx.wa.gov/tip.html> or
- Filling out and returning a registration form available
 - at <http://www.rx.wa.gov/tip.html> or
 - by calling Benefit Control Methods at 866-381-7879 or 866-381-7880

Endorsing Practitioner and Therapeutic Interchange Program

Endorsing practitioners may indicate Dispense as Written (DAW) on a prescription for a nonpreferred drug on the PDL and the prescription will be filled as written.

Alternatively, if an endorsing practitioner indicates substitution permitted on a prescription for a nonpreferred drug on the PDL, the pharmacist will interchange a preferred drug for the nonpreferred drug and a notification will be sent to the prescriber.

Therapeutic interchange **will not** occur when the prescription is a refill of an antipsychotic, antidepressant, chemotherapy, antiretroviral, or immunosuppressive drug as exempted by law. See WAC 296-20-01002 for definitions relating to the Therapeutic Interchange Program:

- Endorsing practitioner
- Refill
- Therapeutic alternative
- Therapeutic interchange

Due to federal regulations, therapeutic interchange will not take place when the prescription is for a schedule II nonpreferred drug. However, L&I will honor the prescription if an endorsing practitioner indicates DAW for a schedule II nonpreferred drug.

Exception: Fentanyl patch (Duragesic) **will not** be routinely covered. For exception criteria see

<http://www.Lni.wa.gov/ClaimsIns/Providers/Treatment/CovMedDev/SpecCovDec/duragesic.asp>

OBTAINING AUTHORIZATION FOR NONPREFERRED DRUGS

The table lists what providers should do to obtain authorization for **nonpreferred** drugs.

Outpatient drug formulary	Endorsing provider	Nonendorsing provider
Preferred Drug List	Write DAW for nonpreferred drugs	Contact the PDL Hotline (888) 443-6798
Remainder of drug classes	Contact the PDL Hotline (888) 443-6798	Contact the PDL Hotline (888) 443-6798

The PDL Hotline is open Monday through Friday 8:00 am to 5:00 pm PST.

Filling prescriptions after hours

If a pharmacy receives a prescription for a nonpreferred drug when authorization cannot be obtained, the pharmacist may dispense an emergency supply of the drug by entering a value of 6 in the DAW field. L&I **must authorize** additional coverage for the nonpreferred drug.

NOTE: An emergency supply is typically 72 hours for most drugs or up to 10 days for most antibiotics, depending on the pharmacist's judgment.

Retaining prescriptions

WAC 296-20-02005 (Keeping of records) requires that records must be maintained for audit purposes for a minimum of 5 years.

NCPDP V5.1 PAYER SHEET

L&I uses version 5.1 of the NCPDP payer sheet to process prescriptions for payment in the point of service (POS) system. The current version is available online at <http://www.Lni.wa.gov/ClaimsIns/Files/Providers/PayerSheet.pdf>

INITIAL PRESCRIPTION DRUGS OR "FIRST FILLS"

L&I **will** pay pharmacies or reimburse workers for prescription drugs prescribed during the initial visit for State Fund claims regardless of claim acceptance. Refer to WAC 296-20-01002 for definitions of initial prescription drug and initial visit.

L&I **will not** pay:

- For refills of the initial prescription before the claim is accepted,
- For new prescription written after the initial visit but before the claim is accepted or
- If it is a federal or self-insured claim.
 - Pharmacies should bill the appropriate federal or self-insured employer.

If a payment is made by L&I on a claim that has been mistakenly filed as a State Fund claim, payment will be recovered.

Payment for "first fills" shall be based on L&I's fee schedule including but not limited to screening for drug utilization review (DUR) criteria, preferred drug list (PDL) provisions, 30-day supply limit and formulary status. Your bill must be received by L&I within 1 year of the date of service. For additional information and billing instructions, go to <http://www.Lni.wa.gov/ClaimsIns/Providers/Treatment/Presc/Billing/FirstFills.asp> or see the Pharmacy Prescription Billing Instructions manual.

THIRD PARTY BILLING FOR PHARMACY SERVICES

Pharmacy services billed through a third party pharmacy biller **will be paid** using the pharmacy fee schedule **only when**:

- A valid L&I claim exists; and
- The dispensing pharmacy has a signed Third Party Pharmacy Supplemental Provider Agreement on file at L&I; and
- All POS edits have been resolved during the dispensing episode by the dispensing pharmacy.

L&I pharmacy providers that bill through a third party pharmacy billing service must:

- Sign a Third Party Pharmacy Supplemental Provider Agreement
- Allow third party pharmacy billers to route bills on their behalf,
- Agree to follow L&I rules, regulations and policies and
- Ensure that third party pharmacy billers use L&I's online POS system and
- Review and resolve all online POS system edits using a **licensed pharmacist** during the dispensing episode.

Third party pharmacy billers **cannot resolve** POS edits. Third Party Pharmacy Supplemental Agreements can be obtained either through the third party pharmacy biller or by contacting Provider Accounts at (360) 902-5140. The third party pharmacy biller and the pharmacy complete the agreement together and return it to L&I. For more information refer to the Pharmacy Services website at

<http://www.Lni.wa.gov/ClaimsIns/Providers/Treatment/Presc/default.asp>.

EMERGENCY CONTRACEPTIVES AND PHARMACIST COUNSELING

The insurer covers emergency contraceptive pills (ECPs) and associated pharmacist counseling services when **all** of the following conditions are met:

- A valid claim for rape in the workplace is established with the insurer, and
- The ECP and/or counseling service is sought by the worker, and
- The claim manager authorizes payment for the ECP and/or the counseling, and
- The pharmacist is approved by the Department of Health Board of Pharmacy to follow this particular protocol.

Once these conditions have been met, the dispensed medication must be billed with the appropriate NDC and the counseling service with HCPCS code S9445.

INFUSION THERAPY

Services

These services require **prior authorization** by the insurer. The insurer will only pay home health agencies and/or independent registered nurses for infusion therapy services and/or therapeutic, diagnostic, vascular injections.

Supplies

Only pharmacies and DME suppliers, including IV infusion companies, may be paid for infusion therapy supplies. **Prior authorization is required** for supplies (including infusion pumps) and must be billed with HCPCS codes. See WAC 296-20-1102 for information on the rental or purchase of infusion pumps. Implantable infusion pumps are **not routinely covered**.

Exception: When a spinal cord injury is the accepted condition the insurer may pay for an implantable pump for Baclofen. See WAC 296-20-03014(6).

Drugs

Infusion therapy drugs, including injectable drugs, are **payable only to pharmacies**. Drugs must be authorized and billed with NDC codes or UPC codes if NDC codes are not available.