

# Indiana Medicaid Pharmacy Benefit Member Handbook



## Overview

This handbook gives you information about the Medicaid pharmacy benefit. Please refer to it when you have questions.

## How the Pharmacy Benefit Works

When you need drugs or over-the-counter items, your doctor will write you a prescription. Your doctor will then contact your pharmacy, or you can take the prescription to your pharmacy to receive your drug(s). You must use a pharmacy that takes Indiana Medicaid; this can include mail order pharmacies. To find a pharmacy that takes Indiana Medicaid, you may ask your local pharmacy, contact member services, or go to

<http://www.indianamedicaid.com/ihcp/ProviderServices/ProviderSearch.aspx>.

**Tip: Always present your Hoosier Health Card or Healthy Indiana Plan Identification card to your pharmacy provider.**

**Tip: Do not wait until you are out of a drug to request a refill. Please call your doctor or pharmacy a few days prior to being out of your drug.**

## Covered Services

Services covered by the pharmacy benefit:

- Prescription drugs and over-the-counter (OTC) items approved by the U.S. Food and Drug Administration (FDA). Not every OTC item is covered; only those listed on the OTC Drug Formulary are covered.

*Note: For HIP members, only OTC items listed on the Preferred Drug List (PDL) and OTC Drug Formulary are covered.*

- Self-injectable drugs (including insulin)

*Note: You will be able to also get needles, syringes, blood glucose monitors, test strips, lancets, and glucose urine testing strips at your pharmacy.*

- Drugs to help you quit smoking

## Noncovered Services

Services **not** covered by the pharmacy benefit:

- Drugs that do not have an FDA approval
- Experimental or investigational drugs
- Drugs to help you get pregnant
- Drugs used for weight loss
- Cosmetic or hair-growth drugs
- Drugs used to treat erectile problems
- Drugs not on the OTC Drug Formulary

## Preferred Drug List (PDL)

Your pharmacy benefit has a Preferred Drug List (PDL). The PDL shows some of the drugs covered under the pharmacy benefit. A team of doctors and pharmacists updates this list four times a year. Updating this list ensures that the drugs are

safe and useful for you, and cost effective for the Indiana Medicaid program. Drugs in classes on the PDL are either preferred or nonpreferred; preferred drugs typically do not require prior authorization (described below), whereas nonpreferred drugs generally do require prior authorization. Drugs that are not on the PDL are covered by the Indiana Medicaid Program if they are not listed under Noncovered Services. The PDL has information about:

- Names of *preferred* and *nonpreferred* drugs
- Limits on the amount of a drug you can receive

You can find the PDL under the [Pharmacy Services](#) link on indianamedicaid.com.

## Generic Drugs

Your pharmacist will give you generic drugs when your doctor has approved them. Generic drugs are as good as brand name drugs and are less costly to the Indiana Medicaid Program. Generic substitution under the program is required (refer to the Preferred Drug List for exceptions), as set out by statute at *Indiana Code (IC) 16-42-22-10*. Generic drugs must be dispensed when available. If generic drugs are not available, brand name drugs may be dispensed. Brand name drugs may also be dispensed, even if generic drugs are available, if Indiana Medicaid determines that the brand name drugs are less costly to the Indiana Medicaid program. Generic and preferred drugs must be used when available for your medical condition, unless your physician provides a medical reason that you must use a different drug.

## OTC Drug Formulary

Some OTC drugs are covered by Indiana Medicaid. They are on a list known as the OTC Drug Formulary. The list was created by doctors and pharmacists who know what patients like you need. You can find the OTC Drug Formulary under the [Pharmacy Services](#) link on indianamedicaid.com.

## Prior Authorization for Drugs

You may need a drug that requires prior authorization. In this case, your doctor will need to provide information about your health and then a decision will be made about whether or not Indiana Medicaid can pay for the drug. This is important for several reasons:

- You may need tests or help with a drug.
- You may be able to take a different drug.

Your doctor must submit a prior authorization request if:

- A drug is listed as nonpreferred on the PDL, or if certain conditions need to be met prior to you receiving the drug.
- You are getting more drug than what is usually expected.
- There are other drugs that should be tried first.

For drugs that require prior authorization, you may get up to a 72-hour supply while waiting for the decision. For more information, please refer to the [Pharmacy Services](#) link on indianamedicaid.com

The prior authorization decision will be made within 24 hours of receipt of the request (not including Sundays or some holidays), and your doctor will be notified of the decision.

## Your Appeal Rights

If a prior authorization request is denied, your provider can appeal. Your provider must follow the process at <http://www.indianamedicaid.com/ihcp/Manuals/Provider/chapter09.pdf>.

## Medicaid Hearing and Appeal Process

If you disagree with our appeal decision, you can ask for a Medicaid Hearing and Appeal Review. You may ask for a Medicaid Hearing and Appeal Review if we:

- Denied you a service
- Reduced a service
- Ended a service that was approved previously
- Failed to give you timely service

To ask for a review, you must send a letter to the Medicaid agency within 30 business days of getting our decision about your appeal. Send your letter to:

**Indiana Family Social Services Administration  
Hearing and Appeals Section, MS-04  
402 W. Washington St., Room W392  
Indianapolis, IN 46204-2773**

A judge will hear your case and send you a letter with the decision within 90 business days after the date that you first asked for a hearing.

## Copays

### **Traditional Medicaid and Hoosier Healthwise members who do not pay a monthly premium (Package A):**

You may have to pay \$3 for each of your drugs. This amount is called a copay. There are times when you do not have a copay, such as when you have received:

- Services for members under the age of 18
- Services related to a pregnancy
- Services related to family planning (birth control and preventive supplies)
- Services while in an emergency room or nursing home
- Services while in a hospital

### **Hoosier Healthwise members who do pay a monthly premium (Package C):**

Your copays will be \$3 for each generic drug and \$10 for each brand drug.

### **HIP (Healthy Indiana Plan) and PE (Presumptive Eligibility) members:**

You will not have a copay for your drugs.

Any drug dispensed as an emergency supply will not have a copay, regardless of which Medicaid package you are enrolled in.

## HIP POWER Accounts

All covered drug expenses apply to the deductible/POWER Account.

## Days Supply on Drugs

Drugs you take for a long time (often called maintenance drugs) have a 100 days supply limit, while drugs you take for a shorter time (known as nonmaintenance drugs) have a 34 days supply limit. Maintenance drugs are taken for illnesses such as asthma, diabetes, and high blood pressure. Nonmaintenance drugs are generally taken for short-term illnesses such as a cold, influenza, and body aches and pains.

## Early Refill

Your pharmacist will have to ask for prior authorization if you want to get your prescription refilled early.

## Member Services Contact Information

If you have questions about the pharmacy benefit, please call the Member Services Hotline toll free at 1-855-577-6317 24 hours a day seven days a week.

## Frequently Asked Questions

### General Information

1. Where can I find information about Indiana Medicaid?
2. Where can I find information about the Indiana Medicaid pharmacy benefit?
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4. What are the days supply limits on maintenance and nonmaintenance drugs?

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7. What are the guidelines for coverage of drugs for Indiana Medicaid?
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## Preferred Drug List, OTC Drug Formulary, and Prior Authorization Information

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4. What is the Preferred Drug List (PDL) status of mental health drugs?
5. I cannot find certain drugs listed on the Preferred Drug List (PDL). What does this mean?
6. How quickly will a prior authorization (PA) request be approved or denied?
7. Does the Indiana Medicaid fee-for-service pharmacy program have a limit on the number of prescriptions or number of branded drugs members can receive each month?
8. Where can I find the OTC Drug Formulary?
9. How do I appeal a denial of a prior authorization?

## General Information

1. Where can I find information about Indiana Medicaid?  
Information regarding Indiana Medicaid can be found at [www.indianamedicaid.com](http://www.indianamedicaid.com).  
Note: This website does **not** provide complete information regarding the managed care organizations.
2. Where can I find information about the Indiana Medicaid pharmacy benefit?  
Information regarding the Indiana Medicaid fee-for-service pharmacy benefit can be found under the [Pharmacy Services](#) link on indianamedicaid.com .
3. What are the drug copayments for pharmacy claims paid by Indiana Medicaid?  
A \$3 copayment is required for legend and nonlegend covered drugs in accordance with [IC 12-15-6](#) and [405 IAC 5-24-7](#).
4. What are the days supply limits on maintenance and nonmaintenance drugs?  
Maintenance drugs have a 100 days supply limit, while nonmaintenance drugs have a 34 days supply limit.
5. Where can I find information regarding *Care Select*?  
[Indiana Care Select Web site](#)
6. Where can I find information regarding the Healthy Indiana Plan (HIP)?  
[Indiana Healthy Indiana Plan \(HIP\) Web site](#)
7. What are the guidelines for coverage of drugs for Indiana Medicaid?  
Indiana Medicaid covers drugs in accordance with the Indiana Health Coverage Programs (IHCP) rule *405 IAC 5-24-3*, which is as follows:  
[405 IAC 5-24-3](#) – Coverage of legend drugs  
Authority: [IC 12-8-6-5](#); [IC 12-15-1-10](#); [IC 12-15-21-2](#); Affected: [IC 12-13-7-3](#); [IC 12-15](#)  
Sec. 3. (a) A legend drug is covered by Indiana Medicaid if the drug is:
  - (1) approved by the United States Food and Drug Administration;
  - (2) not designated by the Health Care Financing Administration (HCFA) as less than effective, or identical, related, or similar to a less than effective drug;

(3) subject to the terms of a rebate agreement between the drug's manufacturer and the HCFA; and

(4) not specifically excluded from coverage by Indiana Medicaid.

(b) The following are not covered by Indiana Medicaid:

(1) Anorectics or any agent used to promote weight loss.

(2) Topical minoxidil preparations.

(3) Fertility enhancement drugs.

(4) Drugs when prescribed solely or primarily for cosmetic purposes.

8. Whom can I call if I have questions about the Indiana Medicaid pharmacy benefit?

You may call Catamaran Help Desk toll free at 1-855-577-6317.

## Preferred Drug List (PDL), OTC Drug Formulary, and Prior Authorization Information

1. What is a Preferred Drug List (PDL), and how are drugs placed on the PDL?

PDL is an acronym for the Preferred Drug List, which is a portion of all drugs covered under the pharmacy benefit. The Therapeutics Committee, a subcommittee of the Drug Utilization Review (DUR) Board, advises and makes recommendations to the Board on the content of the PDL. Drugs in classes that are subject to the PDL are designated as either *preferred* or *nonpreferred*; *preferred* drugs typically do not require prior authorization, whereas *nonpreferred* drugs generally do require prior authorization.

2. Where is the Preferred Drug List (PDL) located?

The PDL can be found under the [Pharmacy Services](#) link on indianamedicaid.com.

3. What drugs require prior authorization (PA)?

In general, drugs that are categorized as nonpreferred require prior authorization.

**Note:** There are exceptions to this rule. Some preferred drugs may require prior authorization. Also, claims with excessive quantities, Step Therapy requirements, Brand Medically Necessary requirements, and drugs with age limitations may be subject to prior authorization.

4. What is the Preferred Drug List (PDL) status of mental health drugs?

In accordance with Indiana law, all antianxiety, antidepressant, antipsychotic, and "cross-indicated" drugs are considered preferred. Drugs that are (1) classified in a central nervous system drug category or classification (according to *Drug Facts and Comparisons*) created after March 12, 2002, and (2) prescribed for the treatment of a mental illness (as defined by the most recent publication of the *American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders*) are also considered preferred.

5. I cannot find certain drugs listed on the Preferred Drug List (PDL). What does this mean?

Drugs that are not listed on the PDL are covered by the Indiana Medicaid Program, to the extent that they are **not** specified by [405 IAC 5-24-3](#) as noncovered.

6. How quickly will a prior authorization (PA) request be approved or denied?

The PA request must be approved or denied within 24 hours of receipt of the request.

7. Does the Indiana Medicaid fee-for-service pharmacy program have a limit on the number of prescriptions or number of branded drugs members can receive each month?

No.

8. Where can I find the OTC Drug Formulary?

The OTC Drug Formulary can be found under the [Pharmacy Services](#) link on indianamedicaid.com.

9. How do I appeal a denial of a prior authorization?

If a prior authorization request is denied, your provider can ask for a review of a denial decision. Your provider must submit a written request for Administrative Review within seven business days of the receipt of notification of the denial. Your provider must follow the process as outlined at

<http://www.indianamedicaid.com/ihcp/Manuals/Provider/chapter09.pdf>.