

Clarification for Long-Term Care Pharmacies

New Patient and Leave of Absence

The Medicaid Update's [January 2015](#) article titled *New Medicaid FFS Pharmacy Early Fill Edit* and the [March 2015](#) article titled *Update on Policy for Medicaid Fee-for-Service (FFS) Pharmacy Early Fill Edit* outlined the exceptions regarding the early fill edits for newly admitted Medicaid members to long-term care (LTC) facilities who were admitted without supply of recently dispensed medications. These Medicaid Updates also provided guidance to LTC facility servicing pharmacies dispensing to members for short leaves of absence from the facility. This communication is to clarify the use of LTC pharmacy's utilization of early fill overrides for a new resident in a facility and the options available for a Medicaid member's short leave of absence, or when member was discharged to the community without medication supply.

New Patient

LTC pharmacies dispensing to Medicaid members who were newly admitted without their medications may use the New Patient Processing (NP) override when medically necessary when all three of the three conditions are met:

1. Dispensing pharmacy is a LTC servicing pharmacy, and
2. Member was recently admitted to a Private Skilled Nursing Facility, Public Skilled Nursing Facility, Private Health Related Facility, or Public Health Related Facility, when "**NH**" returns on eligibility response, and
3. The claim denied for 'Early Fill Overuse' edits "**01642**" or "**02242**" represents the **first** dispensing of a medication after the member's **recent admittance** to the LTC facility (as described above).

If all three conditions above are met, LTC pharmacists may override the 'Early Fill Overuse' "01642" or "02242" denials by using a combination of Reason for Service Code 'NP' (New Patient Processing) in the National Council for Prescription Drug Programs (NCPDP) field (439-E4), and Submission Clarification Code '18' (LTC Patient Admit/Readmit Indicator).

This is an update to previous guidance advising use of Submission Clarification Code '02' (Other Override). Please note, day supply will be limited to 30-days unless the medication is subject to short-cycle billing as described in the [November 2021](#) Medicaid Update article titled *Expansion of Guidance for Long-Term Care Pharmacy Providers on Short Cycle Billing of Pharmacy Claims*. If all three conditions are not met, the billing provider may call the Department for assistance.

This override may **not** be used when the:

- Pharmacy is not an LTC-servicing pharmacy, or
- Member is not a resident of a Private Skilled Nursing Facility, Public Skilled Nursing facility, Private Health Related Facility, or Public Health Related Facility, when "**NH**" **does not** return on eligibility response, or
- Member is not a new resident to the facility, or
- The claim is **not the first fill** of the prescription for the same drug, strength, and directions by the LTC pharmacy.

Leave of Absence

LTC pharmacies may accommodate a LTC facility request for medication supply for a member leaving for a short absence using one of these options:

- LTC pharmacy relabeling and repackaging dispensed medications for member use during their leave, or
- LTC facility covers the cost for the additional supply of medication needed for the leave of absence, or
- LTC facility prepares for the absence by ensuring the medication supply is filled for a shorter supply before the expected absence

If the above or other options are not available, the LTC pharmacy may override the 'Early Fill Overuse' denial when all four following conditions are met:

1. Dispensing pharmacy is a LTC servicing pharmacy, and
2. Member is a current resident of a Private Skilled Nursing Facility, Public Skilled Nursing Facility, Private Health Related Facility, or Public Health Related Facility, when "NH" returns on eligibility response, and
3. The claim denied for 'Early Fill Overuse' edits 01642 or 02242, and
4. The claim is limited to a 7-day maximum dispensed supply.

If all four conditions above are met, the pharmacy may use a combination of Reason for Service Code (439-E4) 'AD' (Additional Drug Needed), and a Submission Clarification Code (420-DK) of '14' (LTC Leave of Absence) to override the Early Fill Overuse edit.

When using the Leave of Absence override, it is expected that the next regular fill date for the member will be later to account for the extra supply the member received for the leave. The pharmacy must maintain documentation, retrievable upon audit, of the use of the override, including but not limited to the facility's request for leave of absence supply for their resident member.

- LTC pharmacies may call the Department for assistance when the above options are not available, and the four conditions are not met.
- Community pharmacies should continue to contact the Department for assistance with 'Early Fill Overuse' denials for members recently discharged from a LTC facility without their medication.

Please note: The use of the above override codes will continue to be monitored by the Department of Health.

All provider submitted claims must be true, accurate, medically necessary, and which comply with the rules, regulations, and official directives of the Department as detailed in Title 18 New York Codes, Rules and Regulations (18NYCRR) §504.3(e), (h), and (i). Unauthorized use of any override may result in audit and recovery of payment.

Reminder: In LTC facilities whenever there are discontinued medications, missed doses, patient transfers or patient discharges, the NH will have 'unused' medications on hand. These 'unused' medications should be returned to the dispensing/vendor pharmacy for credit to the Medicaid program as regulated by Title 10 New York Codes Rules and Regulations (10NYCRR) §415.18 (f) and NY Public Health Law §2803-e in a timely manner. **Medications that cannot be returned for credit should be provided whenever possible to the discharged or transferred Medicaid member to minimize waste and to avoid next fill billing issues.** LTC facilities and their pharmacies are encouraged to review their protocols to ensure any waste is at a minimum and that the regulations and law requirements are met.

Questions and Additional Information:

- For assistance with performing a permitted override please contact the eMedNY Call Center at 1-800-343-9000.
- For questions regarding this policy, exceptions, or considerations as stated above, the provider may contact the New York State Medicaid Pharmacy Unit at 518-486-3209 or NYRx@health.ny.gov.