

North Carolina
State Health Plan
for Teachers and State Employees and
NC Health Choice for Children

www.shpnc.org

Prescription Drugs

Policy Number: AD0528

Definition:

A prescription legend drug is defined as an article, the label of which, under the Federal Food, Drug, and Cosmetic Act, is required to bear the legend: "Caution: Federal Law Prohibits Dispensing Without Prescription." Such articles may not be sold to or purchased by the public without a prescription order.

This medical policy also applies to benefits for insulin: Although insulin does not require a prescription, NC Health Choice provides benefits for insulin as though it were a prescription drug.

Coverage:

1. Effective December 1, 2000 the prescription drug benefit is managed by a Pharmacy Benefit Manager.
2. The member may be charged a copay for each outpatient prescription drug if indicated on the ID card. Otherwise, there is no copayment charge.
3. NC Health Choice will pay allowable charges for each outpatient prescription drug less any applicable member copay.
4. Pharmacies accepting the member's copayment and the Plan's payment as full payment shall not balance bill the member.
5. Insulin is treated as a prescription drug and will follow the copayment schedule.
6. Skilled facilities, nursing homes, etc. may not bill pharmacy benefits for members whose admission is not approved. Drug benefits are available through pharmacies using the prescription drug benefit.

Approval Procedures:

Prior Authorization is required for certain drugs and must be obtained by the prescribing physician. (See 2. below under Limitations and Exclusions.)

Limitations and Exclusions:

1. Prescription drugs are eligible for coverage under the NC Health Choice Prescription Drug Benefit ONLY when ALL of the following apply:
 - a. The drug must be approved by the Food and Drug Administration. FDA approval means full, unrestricted market approval. Drugs classified as IND, Modified Group-C or designations other than full market approval are ineligible for benefits.
 - b. The drug as prescribed must also meet necessity criteria as defined in NC Health Choice Medical Policy AD0125 Medically Necessary.
 - c. For drugs that require prior approval, appropriate clinical criteria must be met and prior authorization must be obtained. See <http://statehealthplan.state.nc.us/drugs-requiring-pa.html> for a listing of prescription drugs that require prior approval.
 - For coverage of drugs under the prescription drug benefit, prior approval is provided by the Pharmacy Benefit Manager. See <http://statehealthplan.state.nc.us/pa-policies.html> for the prior approval criteria for those drugs.
 - Drugs requiring prior approval that are administered intramuscularly or intravenously and are billed under the medical benefit are subject to the prior approval coverage criteria of the medical policies of the Claims Processing Contractor (BCBSNC) which administers the prior approval process for drugs under the medical benefit. The applicable CPC medical policies are listed in NC Health Choice medical policy

number AD0660 (“Use of the Claims Processing Contractor’s Medical Policies for the NC Health Choice Program”) and can be found on-line at <http://www.bcbsnc.com/services/medical-policy/categorical-list.cfm>.

3. Drugs for erectile dysfunction are considered not medically necessary and are not covered.
4. Drugs for hair growth are not covered.
5. Renova as an anti-wrinkle treatment is not covered.
 - a. 6. Drugs that can be purchased over the counter (OTC) without a doctor's prescription are not covered, even when purchased with a prescription order, with the exception of insulin.
7. Medical supplies are not covered under the prescription drug benefit. Claims for medical supplies should continue to be filed with the Claims Processing Contractor (BCBSNC).
8. Prescription drugs for cosmetic use are not covered.

Authority:

G.S. 135-42(b)

G.S. 108A-70.21(b)

G.S. 108A-70.21(b)(4)

G.S. 108A-70.21(d)

G.S. 135-40.5g [statute effective through 06/30/2008 for Predecessor Plan]

G.S. 135-40.7(14) [statute effective through 06/30/2008 for Predecessor Plan]

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