

HEALTH CARE REFORM

WHAT PHARMACIES SHOULD DO IF NOT ACCREDITED, BUT ALREADY 'STEPPED DOWN'

As of this writing, Pharmacies are exempt from DME accreditation requirements until January 2011. After that time, the new health care reform law requires that CMS provide an exemption from accreditation to pharmacies who meet **all three** of the following criteria:

1. The pharmacy's Medicare DME billings average no greater than 5% of total pharmacy sales
2. The pharmacy has had a Medicare billing number in good standing for the last five years, **and**
3. The pharmacy agrees to provide documentation to prove that they meet this criteria

In addition, pharmacies that are currently accredited would not have to get re-accredited if they meet the aforementioned criteria.

Some unaccredited pharmacies may have already 'stepped down' from selling DME. Others may have voluntarily terminated. If your pharmacy wants to get back into the program, CMS has provided the following instructions:

- ◆ Pharmacies that have 'stepped down' must immediately amend their National Supplier Clearinghouse (NSC) Medicare enrollment application (CMS-855s) and 'step up.' This can be accomplished by selecting the DMEPOS, including diabetic supplies, as described in 1C, that the pharmacy wishes to dispense. Note: It may take up to 90 days for NSC to approve the amendments. Complete the following sections:
 - 1C
 - 2 (complete 2A1 and those data elements that are changing)
 - 3
 - 13
 - 15 (if you are the *authorized* official) **or** 16 (if you are the *delegated* official)
 - 6 (for the signer if the authorized or delegated official has not been established for this DMEPOS supplier)
- ◆ If your pharmacy voluntarily terminated, then you must complete all sections of the CMS-855s. Hence, you are re-activating your Medicare supplier billing number. Re-activating may take longer than 90 days because the pharmacy must be re-inspected by the NSC to confirm that the 25 NSC supplier standards are being met. Send in your CMS-855s application via registered mail or other tracking carrier to the physical (overnight) address below:
National Supplier Clearinghouse
Palmetto, GBA AG-495
2300 Springdale Drive, Bldg 1
Camden, SC 29020

DRUG UPDATES

[CLICK HERE](#) to review and print this information for future reference.

SURETY BONDS

REQUIREMENT HAS NOT CHANGED

In 2009, the Centers for Medicare and Medicaid Services (CMS) implemented their surety bond requirement. Pharmacies that bill Medicare for Part B drugs and Durable Medical Equipment and Prosthetics, Orthotics and Supplies (DMEPOS) were required to post a minimum \$50,000 surety bond for each National Provider Identifier (NPI) number that they have.

This surety bond requirement was not developed as a component of accreditation. Although some facets of DME accreditation may be changing due to health care reform, this surety bond requirement has not changed. Therefore, pharmacies that wish to continue billing Medicare are still required to maintain a current surety bond.

"QUOTE IT"

Creativity is making mistakes. Art is knowing which ones to keep. *Anonymous*

TIME WASTERS!

Have you ever wondered where your time goes?

While you know you have 24 hours in a day, often times it seems as though your precious minutes are wasted away—and you are not even sure where all the time went! A suggestion might be to keep track for a week via a daily journal. You are bound to discover where your precious minutes are wasting away every day.



Following are a list of time wasters. Review this list and consider implementing the time-saving tip to get more out of your precious minutes each day.

1. **SURFING THE INTERNET.** Keep a timer by your computer to track how long you have spent online.
2. **CHATTING ON THE PHONE.** Call long-winded friends before you need to leave to go somewhere. Then, you have a legitimate exit from the phone call.
3. **SEARCHING FOR PENS THAT ACTUALLY WORK.** Keep all office supplies together. As soon as a pen runs out of ink, toss it!
4. **GROCERY SHOPPING ON THE WAY HOME FROM WORK.** Plan menus during the weekend for the upcoming week. Shop once a week when it's not so crowded.
5. **RETURNING HOME BECAUSE YOU FORGOT SOMETHING.** The night before, put everything you and your family need for the next day near the door you always leave from.
6. **BACKTRACKING WHEN YOU RUN ERRANDS.** Before leavings, write down everywhere you need to go and plan the most expeditious route.
7. **TRACKING DOWN INVITATIONS WITH IMPORTANT PARTY DETAILS.** Store all invitations in a specific place and write locations and phone numbers on your calendar.
8. **BUYING LAST-MINUTE GIFTS.** Keep a few generic gifts on hand—such as gift cards—to grab in a bind.
9. **PACKING TOILETRIES EVERY TIME YOU TRAVEL.** Purchase extra travel-size toiletries and leave them in an overnight bag.
10. **PICKING UP MULTI-PIECE TOYS.** Keep a clean dustpan on hand to scoop up small pieces.

HEALTH CARE REFORM

MEDICAID GENERIC DRUG PHARMACY REIMBURSEMENT (AMP Fix)

HISTORY

The Deficit Reduction Act of 2005 would have reimbursed pharmacies below their acquisition cost for Medicaid generic drugs. These cuts have been delayed because of a 2007 court injunction.

The health care reform bill improves the definition of Average Manufacturers Price (AMP), which includes manufacturers' sales to retail pharmacies. It directs the Centers for Medicare & Medicaid Services (CMS) to set Medicaid Federal Upper Limit (FUL) for reimbursement of generics to a rate of "no less than 175% of the average weighted AMP." This increase in the FUL is especially important now because the bill also expands Medicaid coverage—starting in 2014—to individuals up to 133% of the Federal poverty level. This is expected to add 16 million more individuals to the Medicaid program.

WHAT DOES THIS MEAN FOR PHARMACIES?

- ◆ The bill requires Health and Human Services (HHS) to implement the new Medicaid generic rates as early as October 2010. This means that pharmacies in some states may see a reduction in generic drug reimbursement at that time. However, this new law mitigates the impact of the more draconian generic drug cuts that would have gone into effect had these changes not been made, saving pharmacies from approximately \$3 billion in Medicaid generic drug cuts.
- ◆ AMPs for brand and generic drugs will be made public later this year. This will give payers access to more AMP data, which are generally assumed to be close to retail pharmacy's acquisition costs for drugs.



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