
CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES

**SECTION 37.2: PHARMACY PROVIDER ENROLLMENT AND
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**37.2 PHARMACY PROVIDER ENROLLMENT AND PARTICIPATION
GUIDELINES**

Overview

Introduction

This Section describes pharmacy provider qualifications, enrollment, the provider record, how the provider can make changes to the provider record, IRS reporting, provider rights and responsibilities, record keeping requirements, billing agents, and Point of Sale enrollment.

Note: Providers should refer to Chapters 3 and 4 of the Louisiana Medicaid Program Provider Manual for additional information on Provider Enrollment and Requirements, including General Standards for Participation.

In This Section

This Section contains:

- Provider Qualifications
- Provider Rights and Responsibilities
- Record Keeping Requirements
- Prohibition of Reassignment of Provider Claims
- Out-of-State Providers
- Provider Enrollment
- Enrollment Process
- Point of Sale Enrollment
- Provider Record
- Change of Address Procedures
- Other Changes to Provider Records
- Change of Ownership
- Reporting to the IRS

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37.2.1 PROVIDER QUALIFICATIONS

	<p>To receive Medicaid reimbursement, a provider must be enrolled in Louisiana Medicaid and meet the provider qualifications at the time the service is rendered.</p>
Pharmacy Definition	<p>A Pharmacy is a facility licensed in accordance with the La. R.S. 37:§1164 (36): “Pharmacy means any place located within this state where drugs are dispensed and pharmacy primary care is provided, and any place outside of this state where drugs are dispensed and pharmacy primary care is provided to residents of this state.”</p>
Provider Qualifications	<p>The Medicaid program reimburses pharmacies, not individual pharmacists, for the provision of prescribed drugs.</p> <p>To enroll in Medicaid, the pharmacy must have a community pharmacy or institutional pharmacy permit issued by the Louisiana Board of Pharmacy as defined by the Board’s regulations at LAC, 46:LIII, §1301 and §1701.</p>
Administering Pharmacists	<p>Pharmacists who have the Authority to Administer authorized by the Louisiana Board of Pharmacy may administer the influenza vaccine. These pharmacists who have this authority are required to obtain a Medicaid pharmacist provider number in order for the enrolled pharmacies to be reimbursed for the administration of this vaccine.</p> <p>Note: Refer to Section 37.14 medication Administration for detailed information.</p>
Dispensing Physicians	<p>Payment will be made for medications dispensed by a physician on a continuous basis only if the physician meets all of the following conditions:</p> <ul style="list-style-type: none">• Is permitted with the Louisiana Board of Medical Examiners as a dispensing physician;• When his/her main office is more than five miles from a facility which dispenses drugs; and• Enrolls in the Medicaid program as a pharmacy provider and complies with all other requirements of the prescribed drug services program. <p>Under the above circumstances, vendor payment (when the treating physician dispenses his own medications and bills under his own name or the name of his own clinic or hospital) will be made on the same basis as to pharmacy providers.</p> <p>Note: Refer to Section 37.6 Reimbursement for Services for detailed information.</p>

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37.2.2 PROVIDER RIGHTS AND RESPONSIBILITIES

Right to Refuse Services A provider is not required to provide services to every recipient who requests services. A provider can limit the number of Medicaid recipients that the provider serves, and accept or reject recipients according to the pharmacy's policies, except for the reasons described below:

- A provider cannot deny services to a recipient solely due to race, creed, color, national origin, disabling condition, or disability in accordance with the federal anti-discrimination laws;
 - A provider cannot deny services to a recipient due solely to the presence of third party insurance coverage or the recipient's inability to pay a Medicaid co-payment.
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**Medical Assistance
Program Integrity
Law (MAPIL)**

The Louisiana Medical Assistance Program Integrity Law, La. R.S. 46:437.1-46:440.3 imposes terms and conditions on Medicaid providers. The following is an outline of some of the terms and conditions and is not all inclusive:

- Comply with all federal and state laws and regulations;
 - Provide goods, services and supplies which are medically necessary in the scope and quality fitting the appropriate standard of care;
 - Have all necessary and required licenses or certificates;
 - **Maintain and retain all records for a period of at least five (5) years;**
 - Allow for inspection of all records by governmental authorities;
 - Safeguard against disclosure of information in patient medical records;
 - Bill other insurers and third parties prior to billing Medicaid;
 - Report and refund any and all overpayments;
 - Accept payment in full for Medicaid recipients providing allowances for co-pay authorized by Medicaid;
 - Agree to be subject to claims review;
 - The buyer and seller of a provider are liable for any administrative sanctions or civil judgments;
 - Notification prior to any change in ownership;
 - Inspection of facilities; and
 - Posting of bond or letter of credit when required.
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**Prescription
Provider Fee**

A prescription fee shall be paid by each pharmacy and dispensing physician for each out-patient prescription (Medicaid and non-Medicaid) dispensed. The fee shall be \$.10 per prescription dispensed by a pharmacist or dispensing physician. When a prescription is filled outside of Louisiana but not shipped or delivered in any form or manner to a patient in the state, no provider fee shall be imposed. However, out-of-state pharmacies or dispensing physicians dispensing prescriptions which are shipped, mailed or delivered in any manner inside the state of Louisiana shall be subject to the \$.10 fee per prescription.

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Medicaid enrolled pharmacy providers must comply with this requirement as a condition of participation in Louisiana's Medicaid program.

Activity reports, either manually or electronically produced, must be available upon request and on-site at the store. These reports must detail the number of prescriptions dispensed on which provider fees were paid, by month for any given month. Providers are assessed on a quarterly basis by DHH. This information must be readily available during an audit when requested by a representative of Medicaid.

Dispensing Cost Survey

As a condition of enrollment, all pharmacy providers must complete an overhead cost survey (commonly known as a dispensing cost survey). The purpose of this survey is to determine the cost of dispensing prescriptions in the State of Louisiana.

In addition, periodically, Medicaid conducts overhead cost surveys of all participating pharmacy providers to determine the accuracy of the maximum allowable overhead cost (dispensing fee). All providers are required to complete these surveys as well.

Federal Anti-Discrimination Laws

Providers must adhere to the following federal laws in order to maintain eligibility:

- Civil Rights Act of 1964, which prohibits discrimination on the basis of race, creed, color or national origin;
- Section 504 of the Rehabilitation Act of 1975, which prohibits discrimination on the basis of a disabling condition; and
- Americans with Disabilities Act of 1990, which assures equal access to services for persons with disabilities.

Solicitation

In accordance with La. R.S. 46:438.2, La. R.S. 46:438.4 and 42 U.S.C. 1320a-7b it is unlawful to:

Knowingly solicit, offer, pay, or receive any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made, in whole or in part, under the Medicaid program, or in return for obtaining, purchasing, leasing, ordering, or arranging for or recommending obtaining, purchasing, leasing, or ordering any goods, facility, item, or service for which payment may be made, in whole or in part, under the Medicaid program.

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Confidentiality

All information about Medicaid recipients is confidential under federal law. Information cannot be released without the patient's written consent unless the provider is billing a third party or releasing the information to a billing agent. Billing agents must adhere to all federal and state confidentiality requirements.

All medical and billing records must be made available to official representatives of the Medicaid program upon request; however, the requester must show identification.

**Health Insurance
Portability and
Accountability
Act (HIPAA)**

State Medicaid programs are required to conduct reviews and audits of claims in order to comply with federal regulations **42 CFR 447.202**.

The Louisiana Department of Health and Hospitals (DHH) is a covered entity under HIPAA. Therefore, DHH is exempt from the HIPAA privacy regulations regarding records for any claims which Medicaid reimbursement is sought. This exemption extends to DHH contractors when acting on behalf of DHH. The federal HIPAA privacy regulations, 45 CFR 164.506 (a), provide that covered entities are permitted to use or disclose Protected Health Information (PHI) for treatment, payment, or health care operations. In addition, a "HIPAA Authorization" or "Opportunity to Agree or Object" by the individual is not required for uses and disclosures required by law.

37.2.3 RECORD KEEPING REQUIREMENTS

The provider must retain all medical, fiscal, professional, and business records on all services provided to a Medicaid recipient. Records may be kept on paper, magnetic material, film, or other media.

The records must be accessible, legible and comprehensible.

Record Retention

Providers must maintain and retain all records for a period of at least five years from the date of service.

**Types of Records That
Must be Retained**

The following types of records, as appropriate for the type of service provided, must be retained (the list is not all inclusive):

- Medicaid claim forms and any documents that are attached;
- Professional records, such as patient treatment plans and patient records;
- Prior and post authorization, and service authorization information;
- Prescription records for Medicaid as well as those for all other patients (including Medicare, private pay and cash);

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- Business records, such as accounting ledgers, financial statements, purchase/acquisition records, invoices, inventory records, check registers, canceled checks, sales records, etc.;
 - Tax records, including purchase documentation; and
 - Provider enrollment documentation.
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**Requirements for
Prescription Record**

The Pharmacy must maintain a patient record for each recipient for whom new or refill prescriptions are dispensed. The record may be electronic or hard copy. The pharmacy's patient record system must provide for the immediate retrieval of the information necessary for the pharmacist to identify previously dispensed drugs when dispensing a new or refill prescription.

Additionally, all records must be maintained in accordance with the Louisiana Board of Pharmacy regulations.

**Right to Review
Records**

Authorized state and federal agencies and their authorized representatives may audit or examine a provider's or facility's records. This examination includes all records that the agency finds necessary to determine whether Medicaid payment amounts were or are due. This requirement applies to the provider's records and records for which the provider is the custodian. The provider must give authorized state and federal agencies and their authorized representatives access to all Medicaid patient records and to other information that cannot be separated from Medicaid-related records.

The provider must send or make available, at his or her expense, legible copies of all Medicaid-related information to the authorized state and federal agencies and their authorized representatives.

Incomplete Records

Providers who are not in compliance with the Medicaid documentation and record retention policies described in this Section may be subject to administrative sanctions and recoupment of Medicaid payments.

Medicaid payments for services lacking required documentation or appropriate signatures will be recouped.

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37.2.4 PROHIBITION OF REASSIGNMENT OF PROVIDER CLAIMS

Medicaid payments cannot be reassigned to a factor. A factor is an individual or organization, such as a collection agency or service bureau, that advances money to a provider for accounts receivable that the provider has assigned, sold or transferred to the individual organization for an added fee or a deduction of a portion of the accounts receivable. A factor does not include a billing agent.

37.2.5 OUT-OF-STATE PROVIDERS

Eligible Recipient
State

Louisiana Medicaid will reimburse out-of-state services only under one of the Out-of-following circumstances:

- Where an emergency arises from an accident or illness;
- Where the health of the individual would be endangered if he/she undertook travel to return to the State of Louisiana;
- Where the health of the individual would be endangered if the care and services are postponed until he/she returns to the state;
- When it is general practice for residents of a particular locality to use medical resources in the medical marketing areas outside of the state; or
- When the medical care and services or needed supplementary resources are not available within the state. Prior approval for these services is required.

These are the only circumstances in which an out-of-state pharmacy may be reimbursed for providing pharmacy services to Louisiana Medicaid recipients. The out-of-state pharmacy must obtain a provider enrollment number to secure reimbursement.

The out-of-state enrollment criteria does not apply to Medicare crossover claims. A provider must be enrolled as a Medicare provider in order to submit Medicare crossover claims. When enrolling in the Medicaid program, out-of-state pharmacies must indicate that crossover billing is requested. Some out-of-state providers will be allowed continuous Medicaid enrollment for Medicare crossover claims only.

Recipients out of the
Country

Medicaid does not reimburse for services provided to recipients when they are out of the United States.

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37.2.6 PROVIDER ENROLLMENT

Medicaid Enrollment	Every pharmacy must submit a provider enrollment application and sign an agreement in order to provide Medicaid services.
Medicaid Medical Equipment/Supplies	<p>A Pharmacy provider is enrolled to bill for pharmacy services and durable Durable medical equipment/supplies with one provider number.</p> <p>Note: Refer to Louisiana Medicaid Program Provider Manual Chapter 18 Durable Medical Equipment for detailed information.</p>
Medicare Enrollment	<p>Pharmacies must contact the Medicare regional carrier to enroll as a Medicare provider. The carrier for DMERC Region C is Cigna. The provider may contact the National Supplier Clearinghouse at 866-238-9652.</p> <p>Note: Refer to Section 37.7 Medicare Prescription Drug Coverage for detailed information.</p>

37.2.7 ENROLLMENT PROCESS

	<p>The provider must submit a Medicaid enrollment package to the Medicaid fiscal intermediary. The fiscal intermediary will notify the provider in writing when the provider has been enrolled.</p>
Where to Obtain Enrollment Forms	<p>Provider Enrollment forms can be obtained online at www.lamedicaid.com or from the Medicaid fiscal intermediary. To obtain enrollment forms, the provider may call or write:</p> <p>Molina 225-216-6370 OR Molina Provider Enrollment Unit P. O. Box 80159 Baton Rouge, LA 70898-0159</p>

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Enrollment Forms	<p>To enroll in the Medicaid program, a provider must submit the following documents to the fiscal intermediary:</p> <ul style="list-style-type: none">• Completed Form PE-50;• Copy of pre-printed IRS document showing Employer Identification Number (EIN) – CPO-545 or pre-printed Payment Coupon is acceptable – (W-9 forms are not acceptable.);• Completed Disclosure of Ownership and Control Interest Statement (CMS-1513) Form;• Completed Dispensing Cost Survey Forms;• Completed Point of Sale Forms POS-1, POS-2 and PE-50-PHCY;• Copy of Voided check – for account to which you wish to have your funds electronically deposited (deposit slips are not accepted); and• Copy of Pharmacy license from the State Board of Pharmacy. If requesting retroactive coverage, license must be submitted that covers the retroactive period of coverage.
Accuracy of Information	<p>All statements or documents submitted by the provider must be true and accurate. Filing of false information is sufficient cause for termination from participation or denial of an application for enrollment.</p>
Effective Date of Enrollment	<p>Providers can request the desired date their new Medicaid provider number will become effective. The effective date entered will be considered in the enrollment process. All eligibility requirements must be met on the date requested for the date to be considered.</p> <p>Providers shall not bill until they receive confirmation from Medicaid that they are enrolled in Medicaid. Providers shall be in receipt of their Medicaid provider numbers and the effective date of enrollment prior to billing.</p>
Enrollment Application	<p>The provider enrollment application asks the applicant to provide certain information including: provider name, telephone number(s), address, applicable license number(s), tax ID number, category of service, specialty, all group affiliations, a list of all owners with five percent or more interest, and alternate addresses, if applicable.</p>
Licensure and Permits	<p>Prescribed drug services providers must submit complete and legible copies of the required licenses and permits with the enrollment applications.</p>

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National Provider Identifier (NPI)

As a requirement of Federal regulation, providers must have a National Provider Identifier (NPI) and utilize the NPI to identify themselves as a healthcare provider in the standard transaction.

The NPI must be registered with Louisiana Medicaid prior to submission on a claim.

Electronic Funds Transfer

Providers must complete and submit Electronic Funds Transfer forms with the enrollment package. Medicaid requires all providers to receive reimbursement through electronic funds transfer.

Tax ID Numbers

Providers must submit legible documentation of their tax ID numbers to enroll in Medicaid.

Termination

A provider agreement can be terminated for any reason, at any time, by the provider or the state with 30 days written notice. All the conditions of the agreement remain in effect during the 30-day notice period and until termination is completed.

Exceptions to the 30-day notice, including but not limited to, are:

- If the provider is required to be licensed or certified, the effective date of termination will be the date that the license or certification became invalid;
 - If the provider is suspended, excluded or terminated from Medicare or any state's Medicaid program; or
 - If the provider's business is closed, abandoned, or non-operational, the effective date of termination will be the date that the business was closed, abandoned, or became non-operational.
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Reinstatement

To request reinstatement after a termination or suspension period, the provider must submit a new application, provider agreement, and other required forms to the fiscal agent. If the provider is enrolling under a different name or different tax ID number, the provider must furnish the prior name and tax ID number with the application.

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37.2.8 POINT OF SALE ENROLLMENT

Point of Sale	Point of Sale (POS) claims processing provides on-line adjudication of Medicaid claims. With POS, a claim is electronically processed through the claims processing cycle in real-time; and a response indicating that the recipient is eligible or ineligible and that the claim is payable or rejected is returned to the pharmacy within seconds of submission.
Application Forms	<p>To obtain authorization to submit claims via POS, the provider must complete, sign and send the following forms that are included in the provider enrollment packet:</p> <ul style="list-style-type: none">• Medicaid Pharmacy Point of Sale Provider Certification;• Medicaid Point of Sale Agreement; and• Pharmacy Provider Enrollment Amendment Point of Sale Enrollment.
Annual Re-certification	Providers must renew their POS Certifications annually. All applicable sections of this form must be completed in order for the recertification to be accepted by the Department. Recertification forms are mailed in October by the Department and are effective the following January.

37.2.9 PROVIDER RECORD

Provider Record	A provider record is created by the Medicaid fiscal intermediary for each provider from the information given on the initial enrollment application.
Provider ID Number	After the provider has been approved for enrollment in the Medicaid program, the fiscal intermediary assigns the provider a seven-digit provider number to identify the provider for billing and correspondence purposes. The provider must include the provider number on all correspondence to the fiscal intermediary or the Medicaid office.

37.2.10 CHANGE OF ADDRESS PROCEDURES

Medicaid Provider Change of Address	<p>The provider must notify the Medicaid fiscal intermediary by telephone or in writing of any change of address. The notification must include the new business and mailing address(es), the physical location if different, the provider's previous address(es), and the effective date. The Provider Enrollment Unit can be contacted at 225-216-6370.</p> <p>Medicaid correspondence is sent to the billing address listed on the provider record. Changes in addresses must be promptly reported.</p>
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37.2.11 OTHER CHANGES TO PROVIDER RECORDS

Requesting a Change Other Than an Address Change	Information in a provider's record can only be changed by the provider submitting a written, signed and dated request on letterhead stationery. The provider number must be included.
Where to Send Request for Changes	Providers must send the letter to: Molina Provider Enrollment Unit P. O. Box 80159 Baton Rouge, LA 70898-0159
Provider No Longer Accepts Medicaid	The provider must notify the Medicaid fiscal intermediary if the Medicaid pharmacy no longer accepts Medicaid for any reason, including closing the business.
Telephone Number	The provider must report changes in telephone numbers. Notice of a change in telephone number(s) must include the new telephone number(s), the provider's previous telephone number(s), and the effective date of the change.
Federal Tax ID/ Social Security Number	If a provider's federal tax identification/social security number changes, a new provider enrollment application must be completed.
Electronic Funds Transfer	If changing financial institutions or accounts, the provider must notify the fiscal intermediary Provider Enrollment Unit at least 60 days in advance. Failure to do so may result in lack of payment.

37.2.12 CHANGE OF OWNERSHIP

Name	The provider must contact the fiscal intermediary's Provider Enrollment Unit to report a name change.
Ownership	<p>The provider must notify the Medicaid fiscal intermediary immediately of a change in ownership. Failure to do so may result in departmental review.</p> <p>Upon completion of a new application and other required forms, the provider obtaining the new ownership will be assigned a new provider number.</p>

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37.2.13 REPORTING TO THE IRS

Information Reported
to the IRS

Federal law requires Medicaid to report to the Internal Revenue Service all payments made during the calendar year to any provider who received payment under a tax ID number.

Note: Refer to Section 37.2.11 Other Changes to Provider Records for information on reporting a change to a tax ID number

IRS Form 1099

Medicaid reports payments to the IRS annually on Form 1099. A copy is also sent to each provider.