

March 15, 2017

To: TennCare Pharmacy Providers
From: James Hailey, Pharm.D., D.Ph., MBA, FAMCP, TennCare Chief Pharmacy Officer
Re: Changes to TennCare's OTC Drug Coverage

On March 2, 2017, TennCare hosted a second Pharmacy Stakeholder meeting to present the survey results of TennCare's efforts to comply with the CMS Covered Outpatient Final Rule and new pharmacy reimbursement methodology. During the webinar¹, TennCare discussed that additional guidance would be provided on more detailed programmatic change. This memo specifically addresses the OTC product coverage changes for the TennCare pharmacy program.

Effective April 1, 2017, OTC drug and products will be subject to the final reimbursement methodology as established by TennCare. The following will be in effect for coverage of OTC products:

1. TennCare will provide OTC coverage for full, unopened packages only. As such, some current products and NDC's currently covered by TennCare will no longer be covered. The list of covered OTC products and NDC's will be posted to Magellan's website by **March 20, 2017**.
 - a. Some products are only available in package sizes that will last longer than TennCare's current plan limitations. Pharmacies are to enter the correct days' supply for the claim, and for those products with unavoidable larger package sizes, the current days' supply limitation of 31-days will not be enforced. (E.g. , 100-count qdaily multivitamin should be submitted as 100 day supply)
 - b. Magellan strongly encourages pharmacies to review your current products that you submit to TennCare routinely, and if not on the published list, ensure that you stock the covered NDC's.
2. Per guidance from CMS, TennCare will provide OTC coverage for products that are submitted with the pharmacy's Usual and Customary (U&C) over-the-counter price. The U&C price that is submitted must be the price that anyone not shopping for prescriptions pays in your pharmacy or store for these items.
 - a. For example, if a 4oz. bottle of guaifenesin syrup sells on your over the counter shelves in your store or pharmacy for \$3.59, the claim must be submitted with \$3.59 as your U&C price.
3. Prior authorization will be required for products with package quantities higher than a normal course of therapy and for products priced significantly higher than other products in the same category.

Thank you, again, for all you do and for your hard work in partnering with TennCare to ensure that medically necessary, covered pharmaceutical services are readily available to our members throughout this state. We understand that any time change occurs, new issues and opportunities for collaboration will arise. TennCare's goal is to continue a long and successful partnership with each of you to improve the services provided to our members. If the TennCare pharmacy team can answer any of questions that may remain or be of any assistance to you in the future, please do not hesitate to contact Dr. Rusty Hailey, TennCare's Chief Pharmacy Officer at (615) 507-6415 or at james.hailey@tn.gov.

¹The webinar from the second Pharmacy Stakeholder's meeting can be found at this URL:
https://tenncareqa.magellanhealth.com/tenncare_portal/spring/main?execution=e1s2