

## Meeting Minutes

Subject: Collecting NDC drug codes from institutional claims

Attendees:

in person at 442 Civic Center Drive: Tamara Butts, Maine Hospital Association; Cheryl Rood, MaineCare Claims; Cheryl Pelletier, MaineCare Claims, Rossi Rowe, MaineCare Third-party Liability; Roderick Prior, M.D., MaineCare Medical Director

via conference call: Florette Redmond, pharmacy, Natasha Erb, claims from Franklin Memorial Hospital; Mark Boissoneault, pharmacy, St. Mary's; Carl Grove, pharmacy, Parkview Hospital; Suzanne Menard, claims, Southern Maine Medical Center

Date: November 20, 2007

CMS requires that, effective January 1, 2008, states have a method in place to collect NDC codes on all physician-administered drugs on both professional and institutional claims made to state Medicaid agencies.

Dr. Prior described a proposed method of submission of NDC code data as follows: Each hospital or other institutional provider would prepare a quarterly list of pharmacy claims submitted to MaineCare during the calendar quarter containing at least the following information: member name, MaineCare ID number, date of service, claim submission date, institutional claim number, HCPCS code of drug, drug description, drug NDC code, units administered, and price charged.

Concern was expressed that it would be difficult for institutions to provide a claim paid date for pharmacy claim. A response was provided that claim submission date would be an acceptable substitute.

Hospital representatives expressed substantial concern that systems do not generally exist in hospitals to track individual drug products from the point of purchase to the point of patient dispensing and charging. Most hospitals purchase drugs by contract via group purchase arrangements. Frequent supply-chain changes are made because of frequent changes to NDC codes, medication shortages, and other factors. Hospital systems generally track drugs only at the generic drug/dose form/strength level. Most medications are dispensed via Pyxis machines. Drugs from several vendors are often intermixed in the Pyxis machine. Intravenous drugs, particularly chemotherapy drugs, are compounded within the pharmacy with several drug products intermixed.

All of the hospital representatives present use Meditech systems. Meditech allows an only has provision for a single NDC code to be attached to a drug within the pharmacy master drug dictionary.

The consensus was that, although the hospitals could attach NDC codes to pharmacy claims, they could not guarantee that the patient actually received that exact NDC-coded product. MaineCare commented that, until a rigorous audit trail could be developed from the point of drug product purchase to the point of patient administration and subsequent billing, drug manufacturers would refuse to pay rebates.

The following miscellaneous comments were made:

1. Hospitals that use the CMS 340B reimbursement system must inventory and supply inpatient and outpatient drugs separately.
2. CMS has allowed states to request a delay in implementation of the rule in order to allow full compliance if a January 1, 2008 implementation would constitute a hardship to the state.

The following action items were agreed upon:

1. MaineCare (Rod Prior) would write and disseminate a letter of explanation to all hospitals ASAP.
2. FMH (Florette Redmond) would explore the possibility of an implementation deadline extension.
3. MaineCare (Rossi Rowe) would prepare a list of required data elements for submission.
4. Parkview (Carl Grove) would put out questions on hospital pharmacy listservs regarding other solutions to the regulation.