

**Anthem Prescription Management, LLC
Pharmacy Provider Manual**

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Anthem Prescription Management Quick Reference List

PHARMACY HELP DESK PHONE NUMBER:

The Anthem Prescription Pharmacy Help Desk number is 1-800-662-0210.

MONDAY – FRIDAY: 8:30 a.m. to 12:00 a.m. EST

SATURDAY & SUNDAY : 9:00 a.m. to 7:00 p.m., EST

WEBSITE:

www.anthemprescription.com

MAILING ADDRESS:

Anthem Prescription Management, LLC
 8890 Duke Boulevard
 Mason, OH 45040-8943

PAYER SHEET:

Available at www.anthemprescription.com or
 Contact NDC Health or WebMd

FORMULARY LIST:

PLEASE NOTE THAT THIS PROVIDES ACCESS TO THE GENERAL FORMULARY. INDIVIDUAL GROUPS OR PLANS MAY HAVE SLIGHTLY DIFFERENT FORMULARY OPTIONS / EDITS.

Available at www.anthemprescription.com or
 Fax-On-Demand: 800-750-0156.

PAYMENT SCHEDULE

Date Of Service	Approximate Check Date
1 st through the 7 th	12 th of each month
8 th through the 16 th	22 nd of each month
17 th through the 23 rd	Last day of the month
24 th through end of month	7 th of each month

Claims Submission

Customer Identification Cards & Eligibility

The cardholder's identification number is required for claim submissions and is included on the customer's identification card. The customer's date of birth is required for all claims submissions and should be verified with the customer. Date of birth does not appear on the customer's identification card. Customer eligibility can be verified through the on-line claims processing system, by calling the Anthem Prescription Pharmacy Help Desk at (800)662-0210 or at www.anthemprescription.com.

Pharmacies are required to determine customer eligibility for prescription service before dispensing a prescription. Anthem Prescription does not provide "good faith" payments.

Professional Judgment

Pharmacists are under no obligation to dispense a prescription that, in their professional opinion, should not be dispensed. Additionally, clinical edits and DUR conflict codes are designed to aid the pharmacist in performing his/her professional function, not to replace it. Pharmacists are expected to use their professional judgment and apply their education and training to identify and determine appropriate action related to DUR conflicts. Additionally, the edits are not necessarily all-inclusive and do not replace the professional judgment and expertise of the dispensing pharmacist. Final professional responsibility for all prescriptions dispensed rests with the dispensing pharmacist.

Online Adjudication

All claims filled for Anthem customers must be submitted on-line to Anthem Prescription Management, LLC. All prescriptions dispensed **MUST** be submitted through Anthem Prescription regardless of the customer's benefit level or the cost of the drug. Claims for which the cost of the drug is covered by the customer co-pay with no remaining balance to the pharmacy should still be submitted and will be accepted with a "captured claim" code. Anthem Prescription performs drug utilization reviews for all drugs dispensed to its customers. In order for this review to have its maximum beneficial impact, data for all prescriptions must be available through the on-line claims processing system.

Co-payments

The co-payment amount is determined through the on-line claims processing system. This information may also appear on the customer's identification card. It is important that the identification card presented be the most current card issued to the customer. When a discrepancy in the co-payment exists between the customer's identification card and the on-line claims processing system, the amount returned by the on-line claims processing system should be charged. Pharmacies may not collect a co-payment amount that exceeds their usual and customary charge for the prescription being dispensed.

Receipts

All pharmacies participating in Anthem Rx Network are required to provide customers with receipts. The receipts must indicate at a minimum the co-payment (as provided on the on-line claims processing system) actually paid by the customer to the pharmacy and any other information required by applicable law. Receipts that include amounts other than what was actually paid by the customer should indicate that the price is "informational only" or a similar notation.

Claim Reversals

Reversals are accomplished through the on-line claims processing system by following the procedures established by the vendor responsible for the maintenance of the computer system used by the pharmacy. The pharmacy is required to reverse all prescriptions not picked up by the customer within 10 days of online submission. Anthem Prescription allows up to 15 months to process claim reversals.

If your pharmacy is unable to reverse a claim please contact the Anthem Prescription Customer Service Department for assistance. During pharmacy audits, Anthem Prescription will review patient signature logs for prescriptions that were filled, but not picked up by the customer. Pharmacies that fail to reverse claims that a customer fails to pick up will be subject to recovery of payment. Depending on the severity of the pharmacy's action, failure to reverse such claims may be considered a material breach of the contract, resulting in termination from the network.

Compound Guidelines:

Compounded Prescriptions

All pharmacies contracted with Anthem Prescription are required to bill compound prescriptions on-line. The following procedures should be used to submit claims for compounded prescriptions via the on-line claims processing system using NCPDP v 5.1 - compound segment. The main ingredient in compounded prescriptions must be a covered pharmaceutical under the member's plan. If in doubt, submit the ingredients NDC number first to see if a reject message is received.

Pharmacists should submit compounded prescriptions using the format outlined below:

1. Transmit compound prescriptions using NDC #00000-00-0000
2. Enter the actual NDC number of each ingredient in the compound utilizing the compound tab
3. The price of ingredients in the compound that have an established average wholesale price (AWP) by Medispan, or another recognized pricing source, should be calculated based on the AWP discount indication in the participating pharmacy agreement. Ingredients that do not have an average wholesale price established (some bulk chemicals, additives, etc) should be priced based upon the pharmacies reasonable usual and customary pricing. Anthem Prescription may validate pricing with the current Red Book price guide.
4. Calculation of time component in preparation of compound prescriptions should be calculated using APM standard of \$40/hour (\$.666/minute). Calculation of time component should be based on total minutes to prepare compound. Maximum time component allowed per compound prescription is two (2) hours. **Payment for time is in lieu of dispensing fee.**
5. Total cost of compound should be submitted electronically to Anthem Prescription as usual and customary (including calculation of time). A dispensing fee should not be submitted.
6. Anthem Prescription will review compounded prescriptions and reserves the right to adjust pharmacy reimbursement in compliance with the participating pharmacy agreement. The following will be required to evaluate pricing used for compound prescriptions claims submitted to Anthem Prescription for payment:
 - Name of each ingredient used
 - NDC (if applicable) of each ingredient used.
 - Quantity of each ingredient used.
 - Ingredient cost of each ingredient used.
 - Total quantity of medication dispensed.
 - Dosage form (liquid, cream, ointment, etc.).
 - Total cost of all ingredients used.
 - Total pharmacy time involved in preparation of compound.

7. Once Anthem Prescription has determined a price for a compound, refills must be submitted on-line at the appropriate rate established, unless there is a considerable price increase in ingredient cost.
8. Anthem Prescription has issued NDC numbers and determined the following price structure for Progesterone Suppositories until further notice:

Strength	Price	NDC
25mg	\$0.75 each	99999-9999-25
50mg	\$0.85 each	99999-9999-50
100mg	\$1.00 each	99999-9999-01
200mg	\$1.50 each	99999-9999-02

Example: Pharmacy fills prescription for sixty (60) 100mg Progesterone Suppositories. Pharmacy should bill a total of \$ \$60.00 under usual and customary charge.

9. Pharmacies with concerns about the pricing of a particular compound prescription may fax their concerns to Anthem Prescription at 513-336-5598, attention Retail Network/Compounds.

Brand vs Generic Dispensing:

Prescriptions written for a medication that appears on the Anthem Prescription Maximum Allowable Cost (MAC) List will be reimbursed using the MAC price per unit in effect at the time the prescription is dispensed. The exception to this policy is when a prescriber indicates "Dispense as Written" (DAW) on the prescription in accordance with State and/or Federal requirements and the prescription drug benefit plan includes coverage of brand-name drugs requested by an authorized prescriber.

Generic Substitution

Anthem Prescription provides prescription drug benefits for generic drugs when they are available as an FDA "AB" or "A" rated version or the drug is exempt from FDA therapeutic equivalence review. Brand-name versions of drugs on the Anthem Prescription MAC List may not be allowed for coverage unless specifically indicated in the prescription drug benefit program. General guidelines are as follows:

- Pharmacies in the Anthem Rx Network are required to dispense FDA "AB" or "A" rated generic equivalent drugs in accordance with applicable State and/or Federal laws.
- Certain drugs with documented dosing problems are not included on the Anthem Prescription MAC List and should not be dispensed generically unless requested by the prescriber or customer.
- The "A" rating provision does not apply to drugs not evaluated for therapeutic equivalence by the FDA.

Brand-Name Selection

Anthem Prescription manages prescription drug benefit programs that generally provide coverage for generic drugs on the Anthem Prescription MAC List. If a customer's benefit plan affords coverage for brand-name versions of multi-source drugs, then such multi-source drugs will be a covered benefit only when: a.) the prescriber has indicated "DAW" or similar notation as required under applicable State and/or Federal laws; or b.) the customer's drug benefit has a set copay for brand drugs irrespective of generic availability.

Product Selection (PSC/DAW) Code

All prescriptions transmitted to Anthem Prescription must include a product selection (PSC/DAW) code that reflects the DAW status of the prescription being transmitted. The following NCPDP defined codes are used:

DAW Field Definitions:

DAW = 0	<i>No Product Selection Indicated</i>
DAW = 1	<i>Substitution Not Allowed by Prescriber.</i>
DAW = 2	<i>Substitution Allowed -- Customer Requested Product Dispensed. Customer pays appropriate copayments and depending on the specific plan design, any cost difference between the generic and brand name drug.</i>
DAW = 3	<i>Substitution Allowed -- Pharmacist Selected Product Dispensed. Pharmacist will be reimbursed at generic or MAC rate. Customer pays generic copayment.</i>
DAW = 4	<i>Substitution Allowed -- Generic Drug Not in Stock. Pharmacist will be reimbursed at generic or MAC rate. Customer pays generic copayment.</i>
DAW = 5	<i>Substitution Allowed -- Brand Drug Dispensed as a Generic. Pharmacist will be reimbursed at generic or MAC rate. Customer pays generic copayment.</i>
DAW = 6	<i>Override. Not applicable at this time. This value is used by various claims processors in specific situations. This code is defined by the claims processor and/or client(s).</i>
DAW = 7	<i>Substitution Not Allowed -- Brand Drug Mandated by Law or Regulation.</i>
DAW = 8	<i>Substitution Allowed -- Generic Drug Not Available in marketplace.</i>
DAW = 9	<i>Other. Not applicable at this time. Currently not in use.</i>

PSC/DAW codes 3,4,5,6,8 and 9 will be treated the same as PSC/DAW code 0, while utilizing MAC pricing for drugs on the Anthem Prescription MAC List.

PSC/DAW code 7 will be treated based on the State law in the state where the prescription is being dispensed.

Claims submitted without a product selection code will be processed with code “0” and cannot be disputed or appealed during audits. Anthem Prescription reserves the right to refuse adjustments on claims initially submitted with incorrect PSC/DAW codes.

Claim Rejections

Common Eligibility Rejections

1. Date of Birth Invalid

- A claim will reject if the date of birth submitted does not match the date of birth housed in the on-line claims processing system.
- If the date of birth verified by the customer is the same as the date of birth input by the pharmacy, please contact our Pharmacy Help desk at (800) 662-0210. The customer should also be advised to contact their Health Plan’s Customer Service Department at the telephone number on the back of their medical cards to correct their eligibility record. This will prevent future rejections for an invalid date of birth on subsequent claims.

2. Incorrect Person Code

- A claim will reject if the submitted person code does not match the data housed in the on-line claims processing system. A rejection with a message stating “Non-matched Cardholder” or “Customer Invalid”

will be transmitted back to the pharmacist.

- Claims rejected for this edit can be corrected by resubmitting the correct data. To resolve this edit, verify that the customer's identification card includes a person code and resubmit using the correct code.
- If a person code is not listed on the customer's identification card, this field should be left blank.

3. Duplicate Claim

- The claim will reject if the submitted data is for a prescription that has already been paid on the submitted fill date.
- The pharmacist may be able to resolve this rejected claim by verifying that the correct person code has been submitted. If the submitted data is correct the pharmacist will be unable to submit the claim. Prior authorization cannot be loaded on duplicate claims.

Days' Supply/Quantity

Pharmacists are required to dispense the full quantity of medication to which a customer is entitled as authorized by the prescriber. In order to access prescription benefits, the quantity of the medication requested should not exceed the days' supply limit or the maximum quantity limit applicable to the member's benefits. This limit may vary based on the plan design. The maximum quantity dispensed should not exceed the quantity indicated by the participating prescriber on the prescription. The on-line claims processing system compares the days' supply submitted against the quantity dispensed as a means of monitoring recommended and or covered dosing. If the quantity dispensed is inconsistent with the days' supply reported, the claim may be rejected. Prescription drug claims submitted with the incorrect days' supply will be disallowed during audits and may result in recovery of funds from the pharmacy.

Refill-Too-Soon

Prescription benefits will not be authorized at the point of service when a participating pharmacy submits a claim prior to the benefit utilization parameters set by the health plan. Customers who attempt to refill prescriptions too soon will not have their prescription claim authorized/approved by the on-line claims processing system. Please contact the Pharmacy Help desk at 1-800-662-0210 for Prior Authorization on "Refill Too Soon" rejections for the following reasons:

- The medication dosage or frequency has been changed.
- The customer is requesting a vacation override - please note that not all plans allow a vacation override.

Anthem Prescription monitors how frequently prescriptions are refilled as well as the number of times they are refilled. When unusual refill patterns are noted, prescriptions may not be authorized for payment or pharmacy audits may be scheduled. General guidelines for dispensing refills are as follows:

- Prescription refills may never exceed the number authorized by the participating prescriber.
- Refills may neither exceed the number nor duration allowed by State and/or Federal laws.

Coordination of Benefits

The on-line claims processing system will reject claims when Anthem Prescription is not designated as the primary carrier. If this occurs, direct the customer to provide the primary carrier's identification card. Anthem Prescription cannot load an authorization to override this edit.

DUR/DUE Edits

Maximum Quantity Exceeded

Maximum dispensing limitation edits are in place to monitor claims for instances where either the quantity or days' supply exceeds the plan benefits. Maximum quantity limitations are usually established for certain drugs that are subject to reporting inconsistencies. In certain instances minimum quantity edits are also in place for the same reason. When the maximums (or minimums) are exceeded, the claim is rejected. "Maximum Quantity Exceeded" rejects are usually due to data submission errors and can normally be resolved by correcting the quantity or days' supply submitted. Certain global maximum quantity edits as well as product specific edits are also utilized. Anthem Prescription follows NCPDP quantity reporting guidelines. In situations where a "Maximum Quantity Exceeded" edit is not due to a data submission error, it is necessary to obtain prior authorization for the claim to be processed. Anthem Prescription requires confirmation and verification for coverage of a large quantity of medication.

Cost Inconsistent with Quantity Dispensed

Anthem Prescription calculates the cost of each claim submitted based upon the quantity submitted with the claim. This cost is then compared to the ingredient cost submitted by the pharmacy. An algorithm is applied to the two prices to determine consistency. When an inconsistent relationship is encountered, the claim is rejected. Rejects that cannot be corrected by verifying and correcting the cost and quantity should be referred to the Anthem Prescription Customer Service Department for resolution.

Generic Duplication

The on-line claims processing system performs all edits at the Generic Product Indicator (GPI) level. Regardless of which manufacturer's version of a unique chemical entity or package size is dispensed (brand or generic) prescriptions will be considered to be for the same drug for the purpose of DUR edits. This edit may result in a reject identified as a duplicate, although different NDC codes were submitted. As with all edits, this is applied against all claims regardless of where the prescription was filled. The section on "Duplicate Claim" should be cross-referenced.

Days' Supply Not Consistent With Quantity Dispensed

Anthem Prescription uses the "Days' Supply" data submitted with each claim to determine how long the prescription should last for the customer, in order to administer the "Refill Too Soon" edit. To determine that the "Days' Supply" data is valid, an edit is performed by the on-line claims processing system, comparing the quantity with the days' supply submitted on the claim to the maximum daily dosage stored with each drug record in the Master Drug Database. When these numbers are inconsistent, a "Days' Supply Not Consistent With Quantity Dispensed" reject is triggered. Normally these rejects are due to data submission errors and can be resolved by correcting the appropriate data field (days' supply or quantity).

In those instances where the reject is not due to a data submission error and a higher than normal dosage is prescribed for the customer, a prior authorization will need to be requested from the Anthem Prescription Customer Service Department to allow the claim to be processed.

Clinical Edits

Certain prescription drug claims, which may otherwise be payable, may have clinical conflicts or protocols associated with them. Clinical conflicts include drug-drug interactions, therapeutic duplication, age/gender contraindications, dosage range monitoring, and therapy protocols.

When a clinical conflict is identified, an informational message is transmitted back to the pharmacy. These informational messages will supply the pharmacist with facts concerning the clinical conflict(s) that help the pharmacist identify situations where they may want to intervene and take the appropriate action(s) based on their professional judgment.

In certain instances, a pharmacist may be instructed that additional steps, such as contacting the prescriber or providing additional customer information, may be necessary for the claim to be approved.

Drug-Drug Interactions

Anthem Prescription assists the pharmacist in the identification of drug-drug interactions by messaging prescription drug claims when a “severity level one” drug interaction has been identified. This service is provided as an additional review but is not intended to replace the pharmacist’s professional judgment or the pharmacy’s drug interaction software. This service is beneficial in instances where the customer may be utilizing multiple pharmacies or prescribers.

When a pharmacy claim is submitted for a customer, the claim is screened against the customer’s entire prescription profile (the prescription profile as an Anthem Prescription customer). When a potential drug-drug interaction is detected, the pharmacist is notified of the potential conflict with the appropriate DUR message utilizing an appropriate DUR conflict code.

Dosage Range Monitoring

Anthem Prescription assists the pharmacist in identifying instances where a prescribed dosage is above the maximum or below the minimum manufacturer’s recommended dosage range. This service is provided as an additional review but is not intended to replace the pharmacist’s or prescriber’s professional judgment or the pharmacy’s own drug interaction software.

When the on-line claims processing system determines that the usual daily dosage of medication prescribed is greater than the manufacturer’s maximum recommended daily dosage or below the manufacturer’s minimum recommended daily dosage, the appropriate DUR conflict code is returned with the system adjudication response.

Age/Gender Contraindications

Claims submitted for health plan customers may be screened to determine if the drug and/or its dosage are consistent with the age and/or gender of the customer receiving the medication. DUR conflicts related to this edit will result in claim rejects.

Claims rejected due to “Age/Gender Contraindications” as a result of data submission errors can be corrected and resubmitted if appropriate. If all data submitted with the claim is valid and the pharmacist determines that the prescription should be filled, a prior authorization should be requested. To request a prior authorization, contact the Anthem Prescription Customer Service Department.

Therapeutic Duplication

Prescription claims are screened to identify possible therapeutic duplication. Therapeutic duplications may cause toxicity, side effects, and customer confusion.

Claims that result in a “Therapeutic Duplication” edit will trigger an informational message transmitted to the pharmacist. When such a message is received, the pharmacist should use his/her professional judgment to determine whether action or a consultation with the customer or prescriber should be initiated.

Therapy Protocols

Therapy protocols are special programs that review prescription drug claims submitted for a customer against his/her prescription drug profile and may be used to assist in managing utilization and promoting quality, cost-effective use of prescription benefits. Therapy protocols are reviewed and recommended by the Pharmacy and Therapeutics (P&T) Committee for approval by the customer’s health plan.

The types of therapy protocols that Anthem Prescription manages are:

Time Interval -- used to manage the quantity (amount), duration (length) of therapy, and/or dosage of a drug or drug class. These types of protocols are normally used when established clinical guidelines or information exists that supports the limited use of a medication, therapy, or dosage.

Examples:

- Quantity/time interval protocol – Diflucan® (limited to 2 tablets per 30 days)
- Duration/time interval protocol – Augmentin® (should not exceed 60 days of therapy in a 90-day time period)
- Dosage/time interval protocol – Acetaminophen containing other products (dose should not exceed 4 grams per day)

Step Therapy-- used to assist in the promotion of clinically recognized treatment algorithms. These protocols are generally instituted when established differences exist in first-line versus second-line or third-line drug therapies (Prerequisite). Step therapy protocols can also be used to exclude benefits for a particular medication based upon the current medications prescribed for the customer (Preclusive).

Examples:

- Prerequisite Step Therapy – Cox-2 (trial of 2 NSAIDs in order to access benefits for a Cox-2 specific NSAID)
- Preclusive Step Therapy – Viagra (A prescription for a nitrate within the previous 90 days would preclude authorization of benefits for Viagra)

Claims are screened against therapy protocols and may result in approval or denial. If the claim is for a medication that is in a therapy protocol, an informational message is transmitted to the pharmacist. This informational message will inform the pharmacist of the type of protocol and in some instances, what needs to be done to have the claim approved. If the claim is not approved, the pharmacist will need to contact Anthem Prescription Customer Service Department. A customer service representative or pharmacist will identify for the pharmacy the data that needs to be verified in order to gain approval for the claim. Such information may require the pharmacy to contact the prescriber or customer for consultation.

Therapeutic Duplications

Anthem Prescription uses prior authorizations, to monitor therapeutic duplications. When two (2) medications within the same therapeutic class are dispensed, the pharmacist will receive a message indicating “Duplicate Therapy.”

Please contact the Anthem Prescription Customer Service Department to override this rejection in the following instances:

- The customer has discontinued one of the medications.
- The customer is alternating these medications.
- Certain medications routinely trigger the “Duplicate Therapy” edit although they may be taken concurrently with other drugs in the same therapeutic class.

If none of the above instances apply, advise the customer to have the prescribing provider provide Anthem Prescription with a letter of medical necessity for both medications.

High Dollar/ High Quantity

Anthem Prescription uses prior authorizations in some instances to decrease input errors on claims. The pharmacist will receive an on-line message when a claim reaches a predetermined cost or quantity limit. The message will state “Prior Authorization Required” or “Plan Limitations Exceeded.” If upon verification by the pharmacy, the information submitted is correct, contact the Anthem Prescription Customer Service Department.

Cross-Branded Products

Anthem Prescription also uses prior authorizations, to encourage use of preferred drugs. The pharmacist will receive a message when trying to dispense non-preferred cross-branded products. The message will state “NDC Not Covered” and “_____ *Pref*- _____ *NF*.”

A claim rejected for this edit can be converted to an approval by dispensing the preferred product (if appropriate under applicable law and/or as determined by the prescriber) and resubmitting the claim. A call to the prescriber for prescriptions with “Dispense as Written” (DAW1) and/or an explanation to the customer as to what cross-branded products are, will be required. If the reject cannot be resolved, contact the Anthem Prescription Customer Service Department for assistance.

Formulary Medications

The Drug List (Formulary) is a list of medications chosen for their safety, quality, efficacy, and cost-effectiveness. All medications on drug list are reviewed and recommended by the Anthem National Pharmacy and Therapeutics (P&T) Committee and approved by the customer’s health plan. A variety of approaches are employed to achieve drug list (formulary) compliance including physician education, drug utilization review, and prescription drug benefit plan design. Anthem Prescription will work with pharmacies to develop programs to assist them in increasing preferred drug compliance. Depending upon the customer’s benefit design, non-formulary medications may have a higher copayment than formulary alternatives or may result in a system message stating “NDC Not Preferred by Plan.”

Please contact the prescriber to determine if a formulary alternative would be appropriate. An explanation to the customer should be provided as well. If the claim authorization cannot be resolved, contact the Anthem Prescription Customer Service Department.

Please note that the formulary list is subject to change. A full formulary listing can be found on our web site www.anthemprescription.com. A formulary/drug list can be faxed to you by calling Fax-On-Demand at 800-750-0156.

Emergency Situations

The pharmacist can call Anthem Prescription Customer Service to verify eligibility. It is frequently possible for the customer service representative or the Voice Response Unit (VRU) to verify the customer's eligibility and the pharmacy is able to fill the prescription. If it is not possible to verify eligibility at that time, the customer has the option to pay for the prescription out-of-pocket and submit a Direct Customer Reimbursement (DMR) form to obtain reimbursement.

The pharmacist is under no obligation to provide medication to a customer unless appropriate payment is received or approval granted through the on-line claims processing system. However, pharmacists should exercise appropriate judgment based on the circumstances and the applicable State and/or Federal laws when handling an emergency situation. Anthem Prescription will cooperate with pharmacists who have made judicious decisions when accommodating customers' requests.

Down Time Submission Procedure

Every effort has been made to provide a prescription drug claims processing environment that is easily accessible. Circumstances, however, may arise which will prevent prescription drug claims from being transmitted through the on-line claims processing system. It will still be necessary to provide prescription services to customers during such times. The following guidelines are to be followed when the on-line system is not available to participating pharmacies through no fault of the pharmacy:

- If the customer is known to the pharmacy, is receiving a prescription for a drug not associated with misuse, and has not previously demonstrated inappropriate utilization patterns, the prescription should be filled and transmitted through the on-line claims processing system when the system is next available.
- If the customer is a new customer not known to the pharmacy and indicates having prescription drug coverage, the pharmacist should verify eligibility by contacting the Anthem Prescription Customer Service Department. **Before calling**, please obtain the identification number of the cardholder and the date of birth of the customer for whom the prescription is prescribed. If it is determined that the customer is eligible, the pharmacist should dispense a quantity of drug appropriate for the situation and ask the customer to return when the system is again accessible for the remainder of the prescription. The customer must only be charged one copayment.
- If the customer is a new customer to the pharmacy and eligibility cannot be verified through Anthem Prescription, the customer must pay the full usual and customary price of the prescription and submit the prescription receipt along with a completed Direct Customer Reimbursement form to Anthem Prescription for reimbursement consideration.
- Pharmacists may (at their discretion) refund the price paid for a prescription minus the copayment to a customer once the claim can be transmitted through the on-line claims processing system and is approved.
- Pharmacists should offer to fill the prescription for a minimal quantity of drug and offer refunds once the entire prescription can be electronically processed through the on-line claims processing system. This may be necessary in situations where customers have limited funds and need medication.

Pharmacists may submit claims on tape during periods when the on-line claims processing system is not available. This method, however, should be reserved for down periods of five (5) business days or more. All edits normally performed by the on-line claims processing system will be applied to claims submitted on tape. ***Pharmacies will be assessed processing charges for all claims submitted on tape that were not dispensed during "down-times."*** Rejected claims will be evaluated to determine if the pharmacist exercised reasonable efforts to determine if the prescription should be dispensed. Payment will be authorized for claims filled with reasonable justification. Eligibility rejects will not be authorized for payment.

Additionally, it is expected that pharmacies will use the data available in their computer systems to assist in making appropriate decisions about dispensing a prescription when the on-line claims processing system cannot be accessed.

Pharmacy Audit Overview & Extrapolation Calculation

Audit Process Overview

- 1) A decision to audit a pharmacy is made based on review of quarterly reports.
 - A minimum of 100 pharmacies will be selected for a field audit each quarter.
- 2) The pharmacy will be notified of an audit date and timeframe 15-business days prior to the audit.
 - Pharmacies will not be provided with a list of claims to be reviewed prior to the audit.
- 3) The most recent two years of the identified pharmacies claims data is extracted from the Anthem Prescription paid claims database.
- 4) The type of claims which are being reviewed are extracted from the claims selected in step 3.
 - In the example provided on page 15, DAW 1 claims were selected.
- 5) The computer, utilizing the random number generator, will randomly select 100-200 **sample claims** from the subset identified in step 4.
- 6) The field auditor will review (at the pharmacy) the sample claims selected in step 5 and compare the data submitted to Anthem Prescription by the pharmacy to the data on the actual prescription.
 - When the data submitted by the pharmacy to Anthem Prescription is consistent with the data on the actual prescription on 95 percent or more of the sample claims (**compliance percentage**), no extrapolation of overpayment will occur. If recovery is warranted on any of the remaining claims, the recovery will be based on those claims only. The 95 percent rule will not apply if a pharmacy is re-audited to verify compliance as a result of a previous audit.
 - If the data submitted by the pharmacy to Anthem Prescription is not consistent with the data on the prescription on more than five percent of the sample claims, extrapolation of overpayment for all claims during that period will occur.
- 7) In those situations where the audit results do not indicate a 95 percent or greater (based on claims audited) compliance (consistency between the data submitted to Anthem Prescription and data on the prescription maintained by the pharmacy), extrapolation will be utilized to determine overpayment recovery.

EXTRAPOLATION CALCULATIONS

Extrapolation is the process whereby a randomly selected representative sample is used to determine the value or overpayment of the full set of claims for the applicable period.

- A) The difference between the actual amount paid to the pharmacy (by Anthem Prescription) and the amount which would have been paid had data been correctly submitted will be calculated for each claim for which the data submitted to Anthem Prescription is not consistent with the data on the actual prescription.
- B) The amounts calculated in step A are totaled (**observed overpayment**).
- C) The total from step B is divided by the total amount paid to the pharmacy for the sample claims being reviewed (from step 5 above) resulting in an **overpayment percentage**.
- D) The overpayment percentage is applied to the total amount paid for the subset of claims being reviewed (identified in Step 4 above - **not** all claims in the two year sample) to calculate the **extrapolated overpayment**.

- 8) The amount calculated in step D (**extrapolated overpayment**) will be collected from the pharmacy or set-off from future payments owed to the pharmacy.

- 9) The pharmacy will be notified in writing of the audit results and have 15 days to make payment to Anthem Prescription or appeal the audit findings.
- 10) If the pharmacy chooses to appeal the results of the audit, they will be given until the end of the 15 days to provide appropriate documentation to substantiate their concerns about the audit results. Anthem will review the material provided and, if appropriate, adjust its audit findings.
- 11) If payment is not received within 15 days of the notification to the pharmacy of the original audit results or appeal, the amount due will be deducted from the pharmacy's next scheduled reimbursement.
- 12) Anthem Prescription reserves the right to initiate disciplinary action against pharmacies that are not compliant with their contractual obligations. Disciplinary actions would vary depending upon the severity of the pharmacy's actions.

Extrapolated Overpayment Calculation

Pharmacy Name:	My Favorite Apothecary	
NABP #:	9876543	
Pharmacy Address:	1234 Main Blvd. Hometown, Ohio 45014	
Time Period for Audit:	1-1-02 to 12-31-03	
Total Claims Submitted by Pharmacy:	9,525	
Total Ing Cost Dollars paid to Pharmacy:	\$285,750.59	
Total DAW 1 Multi-source Brand Claims:	1,239	
Total Ing Cost Dollars paid to Pharmacy (for DAW 1 Multi-source Brand):	\$37,147.58	
Total Claims Audited:	100	Sample Claims
Category of Claim:	DAW 1 Multi-source Brand	
Total Claims with DAW Discrepancy:	9	
Total Overpayment Dollar amount:	\$229.95	Observed Overpayment
Total Ingredient Cost Dollar amount for Claims Audited:	\$3,500.63	
Error Percentage based on Claims:	9.00%	Compliance percentage
Error Percentage based on Dollars:	6.57%	Overpayment percentage
<u>Overpayment Calculation:</u>		
Total Ing Cost Dollars paid to Pharmacy (DAW 1 Multi-source Brand):	\$37,147.58	
x Error Percentage based on Dollars:	<u>x6.57%</u>	Overpayment percentage
= Recovery Amount from Pharmacy:	\$2,440.60	Extrapolated Overpayment

Prescriber Identification (PI) Numbers

At the present time, Anthem Prescription requires pharmacies to submit the DEA number of the prescriber with each claim. A "default" prescriber identification number is provided in the Pharmacy Manual: "AB1111119" or the pharmacy's DEA number. Prescriber identification numbers shall be considered invalid when:

- The prescriber identification number submitted by the pharmacy with the prescription claim is not the prescriber identification number provided on the prescription order by the prescriber, or
- No prescriber identification number is provided on the prescription and the prescriber identification number submitted by the pharmacy with the prescription claim is not the "default" identification number

provided by Anthem Prescription in the pharmacy manual, or the valid prescriber identification number in the pharmacy's prescriber database, or

- The prescriber identification number submitted by the pharmacy with the prescription claim does not correspond to the actual prescriber of the prescription [this does not apply when the default number may be used].

For purposes of clarification: when a prescription is written on a hospital prescription blank and the prescriber does not provide his/her PI number, the hospital's PI number may be utilized. The PI number of the prescriber must accompany all controlled substance prescriptions. Default numbers will never be accepted for controlled substances.

Please review the examples listed below:

Availability of PI Number	Submit
Rx from Dr. Doe, PI number provided	PI number provided with prescription
Rx from Hospital, Resident, Hospital PI number provided	Hospital PI number provided on prescription
Rx from Hospital, Prescriber's PI number provided	PI number provided with prescription
Rx for controlled substance	PI number of prescriber must be submitted
Rx from a prescriber not licensed to prescribe controlled substances, no PI number provided; not for a controlled substance	Default PI number: "AB111119" or pharmacy's own PI number
Rx from a prescriber licensed to dispense controlled substances, no PI number provided and the prescription is not for a controlled substance	<ul style="list-style-type: none"> • Default PI number: "AB111119" or pharmacy's own PI number; or • Call prescriber for PI number (this is not mandatory) • Prescriber's valid PI number already in pharmacy's prescriber database