

Dispense as Written for Medicaid Recipients

Session Law 2011-145, Section 10.31(d)(2)(r)(2) and (3) allows all prescriptions that are written for a Medicaid recipient to be orders for the generic medication, even if the prescriber signs the Dispense As Written line. This Session Law also allows Medicaid to establish a prior authorization process for brand-name medications for which the phrase “Medically Necessary” is written on the prescription.

The prior authorization process, called BRANDS, begins June 5th, 2012. Previously, a prescriber only had to write “Medically Necessary” on the prescription in his or her own handwriting in order for a brand to be dispensed. Beginning June 5, the prescriber must complete the prior authorization process and write “Medically Necessary” on the prescription.

On or after June 5th, if a prescription is received for a Medicaid recipient with “Medically Necessary” on the prescription and the prescriber declines or fails to complete the prior authorization, the generic may be dispensed without physician approval. NC Medicaid will require that both the prior authorization and “Medically Necessary” be handwritten on the prescription by the prescriber in order for a brand to be dispensed. If either of these steps is not completed, the prescription is deemed to be written for a generic in accordance with Session Law 2011-145.

The new prior authorization requirement does not apply to narrow therapeutic index drugs, seizure medications, covered OTC products, Federal Upper Limit (FUL) drugs that are overridden due to reimbursement issues or preferred brands that are less costly to the State than their generic equivalent. A prior authorization for a brand name medication has no expiration date and pharmacists should not see a rejection on future prescriptions. These requirements also apply to Health Choice prescriptions.

Remember that the handwritten “Medically Necessary” requirement will still be needed on all future prescriptions and the pharmacy will need to process the prescription using DAW-1. Please note that e-prescriptions do not satisfy the handwritten “Medically Necessary” requirement. The only acceptable form of communicating “Medically Necessary” is through a hard-copy or facsimile of the prescription.

As a reminder, pharmacists may dispense an emergency 72-hour supply for any medication that requires prior authorization under the Medicaid or Health Choice programs while waiting for additional information required from the prescriber.