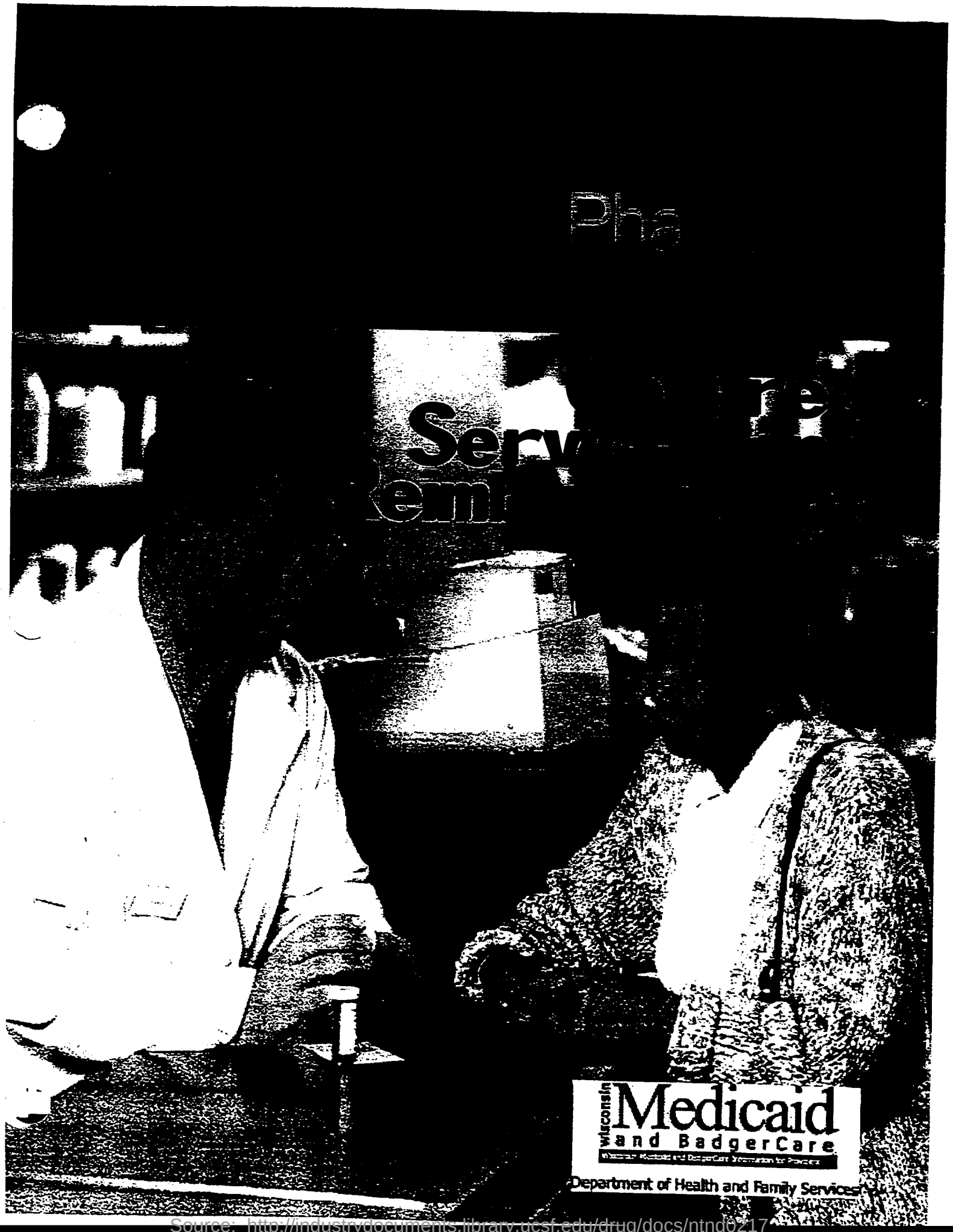

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Covered Drugs and Services

Wisconsin Medicaid covers most legend drugs and a limited number of over-the-counter (OTC) drugs.

Wisconsin Medicaid will cover only the legend drug products of manufacturers who have signed an annual rebate agreement with the federal Health Care Financing Administration.

Legend Drugs

As defined under HFS 101.03(94), Wis. Admin. Code, a legend drug is any drug that requires a prescription under federal code 21 USC 353(b). Legend drugs are covered by Wisconsin Medicaid when:

- The drug is approved by the Food and Drug Administration (FDA) and is not on the Negative Formulary List.
- The manufacturer has signed the federal rebate agreement for the drug.
- The manufacturer has reported the drug information to First DataBank.

Some drugs covered by Wisconsin Medicaid may require prior authorization (PA), and others require an appropriate diagnosis code for reimbursement. Refer to Appendices 2 and 3 of this section for lists of Wisconsin Medicaid covered drugs, including PA and diagnosis-restricted drugs. Also refer to the Prior Authorization section of this handbook for more information on PA.

Drug Rebate Agreement

Wisconsin Medicaid uses an open formulary for legend drug products with few restrictions. According to the federal Omnibus Budget Reconciliation Act of 1990 (OBRA '90), pharmaceutical manufacturers who choose to participate in state Medicaid programs must sign an annual rebate agreement with the federal Health Care Financing Administration (HCFA). Wisconsin Medicaid will cover only the legend drug products of manufacturers who have signed this rebate agreement. Non-participating manufacturers have the option of signing a rebate agreement that is effective the following quarter.

Manufacturer rebates are based on Medicaid claims data showing the quantity of each National Drug Code (NDC) dispensed to Medicaid recipients. Manufacturers may dispute the payment of drug rebates because they believe the utilization data reported to them is inaccurate. To resolve disputes, Wisconsin Medicaid verifies utilization data by having individual providers check the accuracy of claims information they submitted.

Refer to the Pharmacy Data Tables section of this handbook for a list of manufacturers with current rebate agreements and a list of noncovered NDCs and the reasons that manufacturers will not pay rebates on these NDCs.

Additional Coverage of Legend Drugs

Wisconsin Medicaid may cover certain legend drugs through the paper PA process even though their manufacturers did not sign rebate agreements. Refer to the Prior Authorization section of this handbook for special instructions to be followed when requesting PA for these drugs.

New National Drug Codes

Wisconsin Medicaid automatically adds an NDC of a new legend drug to the Medicaid drug file if it meets Medicaid guidelines and is produced by a manufacturer participating in the drug rebate program.

Source: http://industrydocuments.library.ucsf.edu/drug/docs/ntnd0217

Noncovered Legend Drugs

Noncovered legend drugs include the following:

- *Rebate Refused:* the manufacturer has refused to sign a rebate agreement with HCFA.
- *Wisconsin Negative Formulary:* Wisconsin Medicaid has determined that the drug has little therapeutic value, is not medically necessary, or is not cost-effective.
- *Negative Drug List:* drugs listed include the following:
  - √ Less-than-effective (LTE) drugs as defined by the FDA.
  - √ Experimental or other drugs that have no medically-accepted indications.

Refer to Appendix 6 of this section for a full list of noncovered legend drugs.

Over-the-Counter Drugs

Wisconsin Medicaid covers the *generic* products of specific categories of OTC drugs from manufacturers who have signed rebate agreements with HCFA (as required by OBRA '90). In addition, Wisconsin Medicaid covers *all* brands of insulin, ophthalmic lubricants, and contraceptive products. All OTC drugs require legal prescriptions in order to be covered by Wisconsin Medicaid.

As per s. 49.46(2)(b)(6)(i), Wis. Stats., Wisconsin Medicaid covers the following classes of OTC drugs:

- Aspirin, acetaminophen, and ibuprofen (however, combination products including those that contain caffeine or buffering agents are not covered).
- Antacids.
- Antibiotic ointments.
- Contraceptive products.
- Cough syrup with codeine.*
- Cough syrup with dextromethorphan.*
- Cough syrup, plain expectorant.*
- Diphenhydramine.
- Hydrocortisone creams.
- Insulin.
- Iron supplements for pregnant women (and for a 60-day period beyond the end of pregnancy).
- Lice-control products.
- Meclizine.
- Ophthalmic lubricants.
- Pseudoephedrine.
- Therapeutic electrolyte replacement solutions.
- Topical antifungals.
- Vaginal antifungals.

**Note:* Wisconsin Medicaid limits coverage of cough syrups to products that treat only coughs and does not include multiple ingredient cough/cold combination products.

Refer to Appendix 2of this section for more information on Medicaid-covered and noncovered OTC drugs. To request an addition of an NDC to the list of covered OTCs, completeAppendix 1of this section.

Compound Drugs

Wisconsin Medicaid covers a particular compound drug only when the compound drug prescription:

- Contains more than one ingredient.
- Contains at least one Medicaid-covered drug.
- Does not contain any drug listed on the Medicaid LTE Drug List, or any equivalent or similar drug.
- Does not result in drug combinations that FDA considers LTE. For example, a topical compound drug is considered LTE if it combines any two of the following: a steroid, an antibiotic, or an antifungal agent.

Wisconsin Medicaid does not cover a compound drug prescription intended for a therapeutic use if the FDA does not approve the therapeutic use of the combination.

Wisconsin Medicaid covers the *generic* products of specific categories of over-the-counter drugs from manufacturers who have signed rebate agreements with HCFA.

Source: http://industrydocuments.library.ucsf.edu/drug/docs/ntnd0217

Appendix 2
continued

Covered Rebated Drug Categories — Prior Authorization Required

These drug categories are produced by manufacturers who have signed rebate agreements but PA is required to determine medical necessity. Diagnosis and information regarding the medical requirements for these drug categories must be provided on the PA request.*

Paper PA Submission

• Enteral Nutritional Products.	• Fertility Enhancement Drugs (when used to treat conditions other than infertility).	• Human Growth Hormone.	• Treatment for Kaposi's Sarcoma Lesions.
• Unlisted/Investigational Drugs.		• Impotence Treatment Drugs (when used for a condition other than impotence).	

Specialized Transmission Approval Technology-Prior Authorization (STAT-PA)

• Brand name histamine 2 antagonists.	• Proton-Pump Inhibitors (when requested for use outside of approved diagnosis ranges).	• Alpha-1-Proteinase Inhibitor.	• Certain ACE Inhibitors: √ Accupril. √ Altace. √ Lotensin. √ Monopril. √ Prinivil. √ Zestril.
• Weight Loss Agents.	• C-III and C-IV Stimulants (excludes Mazindol).	• Brand name non-steroidal anti-inflammatory drugs (NSAIDs).	

Covered Rebated Drugs — Diagnosis-Restricted Drugs

Reimbursement for these drugs and drug categories is restricted by a valid diagnosis code. See **Appendix 3** of this section for a list of acceptable diagnosis codes for each drug. These drugs require PA when prescribed for a diagnosis outside the approved diagnosis ranges. Submit paper PA requests for diagnosis-restricted drugs when prescribed for a diagnosis outside the approved diagnosis ranges. Prior authorization for proton-pump inhibitors outside the approved diagnosis may be obtained through STAT-PA or paper PA requests*.

• Alglucerase. • Anti-H. Pylori Treatment. • Cerezyme. • Colony Stimulating Factors.	• Epoetin Alfa. • Interferon Alpha (all groups). • Interferon Beta 1a (Avonex).	• Interferon Beta 1b (Betaseron). • Legend Smoking Cessation Products (OTC products not covered).	• Mupirocin. • Muromonab and other monclonal antibodies. • Prenatal vitamins. • Proton-pump inhibitors.

Appendix

Source: http://industrydocuments.library.ucsf.edu/drug/docs/ntnd0217

Appendix 6
Wisconsin Medicaid Noncovered Drugs

Noncovered Drugs — No Manufacturer Rebate Agreement

Manufacturers of the following drugs have chosen not to participate in Wisconsin Medicaid. This is not a complete list of noncovered drugs. This list may change if manufacturers sign rebate agreements. Wisconsin Medicaid does not cover or grant prior authorization (PA) for these drugs. Wisconsin Medicaid may cover the generic alternatives for these drugs if the manufacturer of the generic drugs signed a rebate agreement. The noncovered drugs include:

• Asthmanephrine. • Bichloracetic Acid. • Clear Tears. • Drysol.	• Duolube. • Eppy N Ophth Solution. • Eppy Sol Ophth. • Karidium.	• Karigel. • Lyteers. • Moisture Drops. • Monoject Insulin Jel.	• Nafrinse. • Neo-Tears. • Tinver Lotion. • Xerac AC. • Yodoxin.

Noncovered Drugs — FDA Less-Than-Effective Drugs

Wisconsin Medicaid does not cover or grant PA for less-than-effective (LTE) drugs nor for any generic alternatives identified by the Food and Drug Administration (FDA) as identical, related, or similar to these drugs. Refer to the **Pharmacy Data Tables section** of this handbook for a complete list of LTE drugs.

Noncovered Drugs — Wisconsin Negative Formulary

Prior authorization will not be granted for these drugs.

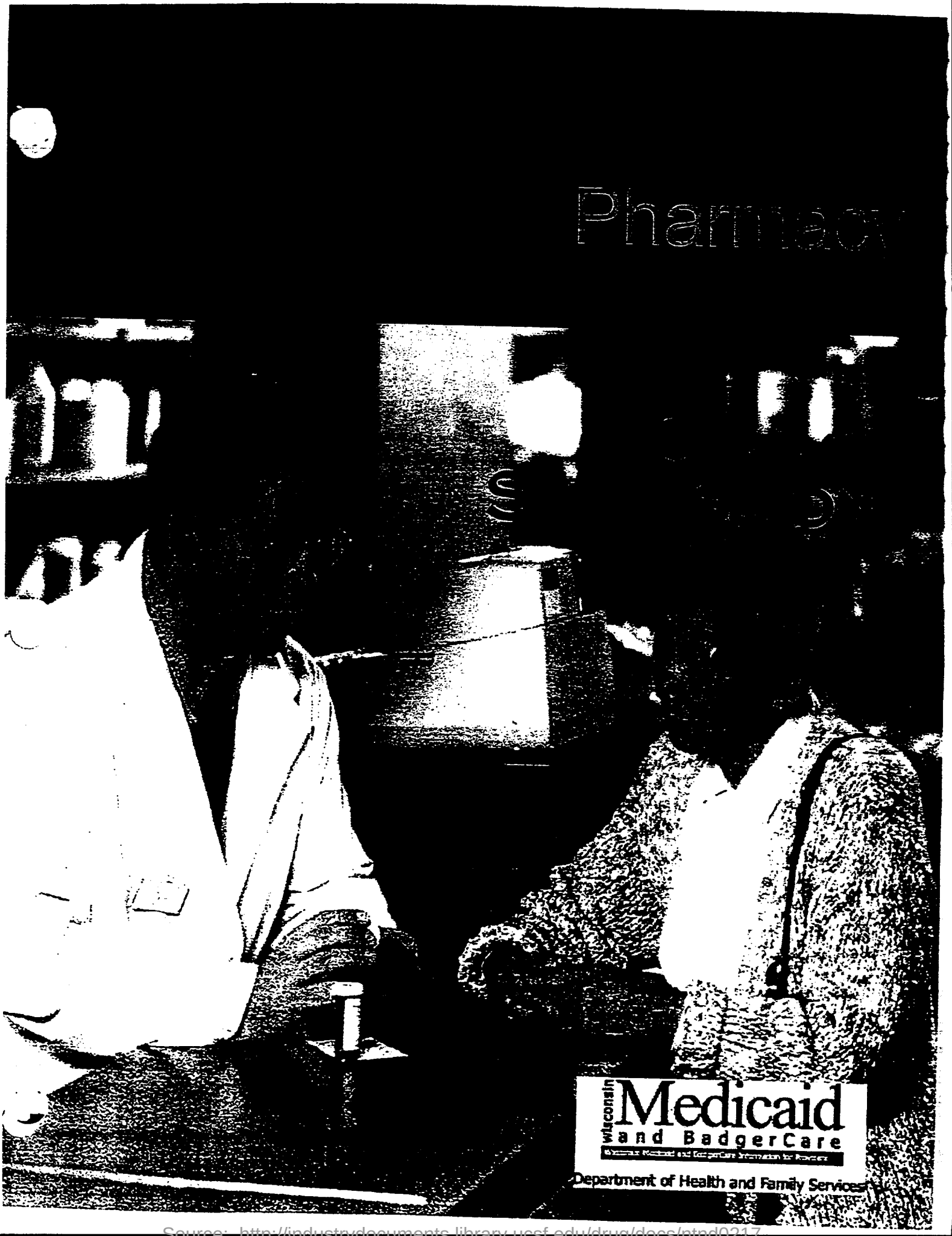
• Alginate. • Eflornithine (Vaniqa) Topical.	• Gaviscon. • Minoxidil Topical. • Non-Rebated Drugs Ineligible for Prior Authorization.	• Progesterone for premenstrual syndrome (PMS). • Legend Multi-Vitamins (Non-prenatal) — excludes HealthCheck. • Finasteride (Propecia).

Fertility Enhancement Drugs (when used to treat infertility):		*Impotence Treatment Drugs:*
• Chorionic Gonadotropin. • Clomiphene. • Crinone. • Gonadorelin.	• Menotropins. • Urofollitropin.	• Alprostadil Intracavernosal (Caverject, Edex). • Phentolamine Intracavernosal (Regitine). • Sildenafil (Viagra). • Urethral Suppository (MUSE). • Yohimbine.

• Any drug determined to be experimental in nature or not proven as an effective treatment for the condition for which it is prescribed (See HFS 107.035, Wis. Admin. Code).

Appendix

Source: http://industrydocuments.library.ucsf.edu/drug/docs/ntnd0217



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