Medicaid Tamper-Resistant Prescription Information for State Health Policymakers July 15, 2008

Background

Starting on October 1, 2008, in order for Medicaid outpatient drugs to be reimbursable by the federal government, all written, non-electronic prescriptions must contain at least three tamper-resistant features, one from each of the three baseline characteristics outlined in guidance issued by the Centers for Medicare & Medicaid Services (CMS) on August 17, 2007 in a <u>letter</u> to State Medicaid Directors. This requirement was included in section 7002(b) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007. The State Medicaid Directors Letter and <u>Frequently Asked Questions</u> with respect to this provision have been posted to the CMS website.

Although CMS has outlined three baseline characteristics of tamper-resistant prescriptions, each State will define which features it will require to meet those characteristics in order to be considered tamper-resistant. The baseline characteristics must: (1) prevent unauthorized copying of a completed or blank prescription form; (2) prevent the erasure or modification of information written on the prescription by the prescriber; or (3) prevent the use of counterfeit prescription forms. As of April 1, 2008, States were to require that impacted prescriptions contain at least one of these baseline requirements. By October 1, 2008, States must require that impacted prescriptions contain all three characteristics in order to be considered tamper-resistant.

The letter to State Medicaid Directors outlines situations where the new requirement does and does not apply. The requirement does not apply: when the prescription is communicated by the prescriber to the pharmacy electronically, verbally, or by fax; a managed care entity pays for the prescription; or in most situations when drugs are provided in certain institutional and clinical facilities. The letter also allows emergency fills as long as a prescriber provides a verbal, faxed, electronic, or compliant written prescription within 72 hours. For detailed information on the requirements, please refer to the CMS website, where you can find links to the State Medicaid Director letter, Frequently Asked Questions and additional updates (http://www.cms.hhs.gov/DeficitReductionAct/30_GovtInfo.asp#TopOfPage).

What to think about

States may need to act quickly to fully implement this requirement by October 1, 2008. To prepare for implementation, State health policymakers should begin by asking the following questions:

Will your State need to pass legislation or make regulatory changes to its Medicaid pharmacy reimbursement procedures?
Does your State have an e-prescribing initiative? Electronic, faxed, and verbal prescriptions do not need to be tamper-resistant.
Will your State supply providers with tamper-resistant prescription pads that comply with the State's requirements? If not, will your State identify suppliers of tamper-resistant prescription paper that comply with the State's requirements for providers?
Can your State apply model practices from States that already require tamper-resistant prescriptions?
How will your State communicate this new requirement to pharmacists and prescribers?