



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES**

275 E. Main Street, 6W-A  
Frankfort, KY 40621  
(502) 564-4321  
Fax: (502) 564-0509  
www.chfs.ky.gov

**Ernie Fletcher**  
Governor

**Mark D. Birdwhistell**  
Secretary

**Glenn Jennings**  
Commissioner

August 17, 2006

**RE: 4 Prescription Limit, 3 Brand Allowance, and New Generics**

Dear Kentucky Medicaid Provider:

In response to feedback from the pharmacy provider community and evaluation of March – June 2006 prescription limit data, the Kentucky Department for Medicaid Services will be implementing two phases of change to the prescription limit program.

Phase I is scheduled for implementation on or about August 31, 2006. Phase I includes the expansion of the drug class exclusion list. The following list of therapeutic classes/medications will **not** count toward the member's 4 prescription drug limit and will **not** require the "07" override code by the pharmacist:

Diabetes agents	(including but not limited to sulfonylureas, TZDs, insulin, etc.)
Asthma/COPD agents	(oral steroids, inhalers – does <b>not</b> include LKT receptor antagonists)
Cardiovascular agents	(antihypertensives- ACEIs, ARBs, Beta-blockers, diuretics, Ca++ Channel blockers, etc. <b>and</b> antiarrhythmic medications)
Lipotropics	(HMG CoA reductase inhibitors, fenofibrate, colestipol, etc.)
Prenatal vitamins	
Folic Acid	
Contraceptives	(all forms)
Antibiotics	(all forms <b>except topicals</b> )
Antipsychotics	(Abilify, Zyprexa, etc.)
Cancer agents	
Clotting Factors/Antiplatelet	(Kogenate, etc./warfarin, Plavix, Pletal – does <b>not</b> include aspirin)
Hematopoietic agents	(Epogen, Neupogen, etc.)



Dialysis	(Renagel, Phoslo, etc.)
Anti-viral medications	(for treatment of HIV, Hep C, Herpes – does <i>not</i> include agents for influenza)
Anti-Tuberculosis agents	
Antiparkinson agents	(Mirapex, Requip, etc.)
Transplant agents	(Imuran, Cyclosporine, etc.)
Monoclonal Antibodies	(OKT3, Zenapax, etc.)
Total Parenteral Nutrition	
Large Volume Parenterals	
Pulmonary Hypertension agents	(Flolan, Revatio, etc.)
Multiple Sclerosis agents	(Avonex, etc.)
Alzheimer’s agents	(Namenda, Aricept, etc.)
Thalomid	
Xolair	

These medications/classes *will* continue to count toward the 3 brand allowance.

For therapeutic classes/medications not on this new drug class exclusion list, continue to follow the guidelines presented in the February 24, 2006, Provider Notice (#22).

<https://kentucky.fhsc.com/Downloads/providers/KY-ProviderNotice-022-022706.pdf>

Continue to use the “07” override code for medications not on the new drug class exclusion list when treating the 25 conditions specified in Provider Notice #22. Continue to use the “07” override code for any other prescription meeting criteria for script limit override. Children (0 to date of 19<sup>th</sup> birthday) *are* exempt from the prescription limit. Details for Phase II prescription limit changes will be released in September, 2006.

In addition, on or about August 31, 2006, the override code for the 3 Brand Allowance **will be changing** to a PA type code of “05”. This will allow the Department for Medicaid Services to distinguish 4 Prescription Limit overrides from 3 Brand Allowance overrides for the purpose of data analysis. If a prescription exceeds *both* the 3 Brand Allowance *and* the 4 Prescription Limit, enter a PA type code of “05” *and* a submission clarification code of “07” *if the medication meets criteria* for both overrides. The 3 Brand Allowance remains as described in the April 6, 2005, provider notice.

<http://chfs.ky.gov/NR/rdonlyres/D5DC280E-1985-4B18-8675-F97C48D34B7E/0/A65040605.pdf>

Finally, in recent weeks several new generics have been released to market. Please review the PDL status of the products listed below. Kentucky Medicaid will *temporarily* prefer the following branded medications for financial reasons. These brands will *not* be subject to MAC pricing.

Tier 1 - Preferred	Tier 2 – Preferred	Tier 3 – Nonpreferred, requires PA
	Zocor	Simvastatin
	Proscar	Finasteride
	Biaxin XL	Clarithromycin XL, SR

*Other Brands Previously and Currently Preferred*

<b>Tier 1 - Preferred</b>	<b>Tier 2 – Preferred</b>	<b>Tier 3 – Nonpreferred, requires PA</b>
	Duragesic patch	Fentanyl patch
Prilosec OTC		Omeprazole

Thank you for your continued support of the Kentucky Medicaid Pharmacy Program.

Sincerely,

Glenn Jennings  
Commissioner