



P R O V I D E R   B U L L E T I N

BT 200150

DECEMBER 12, 2001

**To: Pharmacy Providers and Prescribing Physicians**

**Subject: Updated Over-the-Counter Drug Formulary**

*Note: The information in this bulletin is not directed to those providers rendering services in the risk-based managed care (RBMC) delivery system.*

## Overview

This bulletin is to notify all pharmacy providers, prescribing physicians, and healthcare workers of changes and updates to the *Indiana Health Coverage Programs (IHCP) Over-the-Counter (OTC) Drug Formulary*. Tables 1.1 lists the products covered in the *OTC Drug Formulary* and includes the newly assigned State maximum allowable cost (MAC) rates for OTC smoking cessation drug products.

The *OTC Drug Formulary* only applies to select OTC drugs prescribed to non-RBMC members. The *OTC Drug Formulary* does not pertain to members of the Hoosier Healthwise Package C Program. Nondrug, medical supply items coverage remains unchanged. The information in this bulletin should be incorporated into *Chapter 9, Appendix D* of the *Indiana Health Coverage Programs Provider Manual*.

## Purpose of the OTC Drug Formulary

The *OTC Drug Formulary* lists covered services that have been reviewed and approved by the IHCP Drug Utilization Review (DUR) Board. The formulary of approved OTC drugs is structured to allow use of medically necessary OTC drugs and discourage prescribing or dispensing more expensive legend drugs.

## Using the *OTC Drug Formulary*

The *OTC Drug Formulary* does not affect the coverage status of items such as diabetic reagent strips, sterile dressings, catheters and related supplies, nutritional supplements, and so forth.

Only *OTC Drug Formulary* products supplied by manufactures participating in the Drug Rebate Program are covered. The following provides key information about the *OTC Drug Formulary*:

- The *OTC Drug Formulary* is product, strength, and dosage form specific to the extent noted in the *OTC Drug Formulary*. For example, if a product is listed on the *OTC Drug Formulary* only as a 10mg tablet, and other strengths exist, only the 10mg tablet is reimbursable.
- Insulin is not listed on the *OTC Drug Formulary*; however, the IHCP does cover insulin.
- The reimbursement for covered *OTC Drug Formulary* products is the lower of 150 percent of an item's MAC rate or the provider's submitted usual and customary charge (UCC). Pharmacy providers must always submit their UCC for dispensed items.
- The State-assigned OTC MAC rate is not suspended (overridden) by a prescriber's indication of *brand medically necessary (BMN)*. When a prescriber indicates *BMN* for a covered *OTC Drug Formulary* product, the assigned MAC rate applies.
- Product categories corresponding to individual *OTC Drug Formulary* items are identified using the First DataBank (FDB) classification system. The items are described in the formulary accurately and comprehensively. If there is a question about whether an OTC drug is covered by the formulary, contact the EDS Pharmacy Services Point-of-Service (POS)/ProDUR Help Desk at 1-877-877-5182. The help desk is available from 7:30 a.m. to 6 p.m. EST (Indianapolis local time), Monday through Friday, except holidays. This number is available to providers in Indiana, Michigan, Ohio, Kentucky, and Illinois.

## Providers Submitting Electronic Claims

Pharmacy claims submitted electronically, or through POS, for products prescribed or dispensed that are not included on the *OTC Drug Formulary*, will be denied.

For questions about the coverage of specific OTC drug products, contact the EDS Pharmacy Services POS/ProDUR Help Desk at 1-877-877-5182.

## Providers Submitting Paper Claims

Pharmacy providers submitting paper claims, including the Compound Drug Claim Form, for an OTC drug product should contact the POS/ProDUR Help Desk to confirm coverage status before submitting claims.

Failure to verify whether products are included in the *OTC Drug Formulary* with EDS POS/ProDUR Help Desk places the pharmacy provider at risk of claim denial.

Always verify member eligibility before dispensing products. The *OTC Drug Formulary* does not apply to members enrolled in the RBMC delivery system or the Hoosier Healthwise Package C program. The only way to ensure a member is eligible for services is to use one of the eligibility verification systems (EVS) or the POS system. *Chapter 3* of the *IHCP Provider Manual* provides detailed information about the EVS options, Provider Electronic Solutions, automated voice-response (AVR), and the OMNI swipe card system.

*Note: When contacting the EDS POS/ProDUR Help Desk, have the NDC/UPC/HRI code of the OTC drug product ready to give to the EDS POS/ProDUR Help Desk staff member. The EDS staff will check the code against the product file to determine coverage status for the product.*

## Suggesting Improvements to the *OTC Drug Formulary*

The *OTC Drug Formulary* is structured to allow use of medically necessary OTC drugs and to discourage prescribing or dispensing more expensive legend drugs. Therefore, EDS encourages providers to submit suggestions for products to be included in the *OTC Drug Formulary*. Suggestions should be submitted in writing to the following address:

**Indiana Medicaid DUR Board  
Room W-382  
Indiana State Government Center South  
402 W. Washington St.  
Indianapolis, IN 46204**

The DUR Board reviews comments and suggestions for the formulary in quarterly meetings. DUR Board recommendations for modifications to the formulary are then forwarded to the IHCP administrative staff.

If there are any questions about this bulletin, please contact EDS Customer Assistance at (317) 655-3240 in the Indianapolis area or 1-800-577-1278.

Table 1.1 - State of Indiana Over-the-Counter Drug Formulary

<b>State of Indiana Over-the-Counter Drug Formulary</b>			
<b>Effective November 1, 1996</b>			
<b>(Revised October 12, 2001)</b>			
<b>Class</b>	<b>Drug/Dosage</b>	<b>MAC Rate</b>	<b>Effective</b>
<b>Analgesics</b>	<b>Acetaminophen</b>		
	325mg Tablet, Caplet, or Capsule	\$0.01800/ea	7/1/01
	500mg Tablet, Caplet, or Capsule	\$0.03888/ea	7/1/01
	160mg/5ml Elixir	\$0.01575/ea	7/1/01
	100mg/ml	\$0.11673/ea	7/1/01
	650mg Suppository	\$0.37350/ea	7/1/01
	325mg Suppository	\$0.29160/ea	7/1/01
	120mg Suppository	\$0.34803/ea	7/1/01
	<b>Aspirin</b>		
	81mg Tablet Chewable	\$0.02399/ea	7/1/01
	325mg Tablet	\$0.01215/ea	7/1/01
	81mg Tablet EC	\$0.01940/ea	7/1/01
	325mg Tablet EC	\$0.01791/ea	7/1/01
	<b>Aspirin/Buffered</b>		
	Buffered 5 grains	\$0.02169/ea	7/1/01
	<b>Ibuprofen</b>		
	200mg Tablet	\$0.03915/ea	7/1/01
	<b>Naproxen</b>		
200mg	\$0.12348/ea	7/1/01	
<b>Antacids</b>	<b>Calcium Carbonate</b>		
	500mg Tablet Chewable/Non-chewable	\$0.01841/ea	7/1/01
	750mg Tablet Chewable/Non-chewable	\$0.02343/ea	7/1/01
	<b>Calcium Carbonate Liquid 1.25gm/5ml</b>	\$0.01800/ml	7/1/01

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<b>Class</b>	<b>Drug/Dosage</b>	<b>MAC Rate</b>	<b>Effective</b>
	<b>Sodium Bicarbonate</b>		
	325mg Tablet	\$0.00765/ea	7/1/01
	650mg Tablet	\$0.01128/ea	7/1/01
	<b>Aluminum Hydroxide</b>		
	Gel ***	\$0.00765/ml	7/1/01
	Gel Concentrate ****	\$0.00774/ml	7/1/01
	<b>MAG Carbonate/AL Hydrox/AA *</b>	\$0.00668/ml	7/1/01
	<b>MAG Hydrox/AL Hydrox/Simeth *</b>	\$0.00585/ml	7/1/01
	<b>MAG Hydrox/AL Hydrox/Simeth EX **</b>	\$0.00702/ml	7/1/01
	<b>Magnesium Hydroxide/AL Hydrox *</b>	\$0.00522/ml	7/1/01
	<p>Note:</p> <p>* – Regular strength is considered to be any magnesium/aluminum combination strength totaling 600mg or less per 5ml (irrespective of strength of simethicone, if included).</p> <p>** – Extra strength is considered to be any magnesium/aluminum combination strength totaling more than 600mg/5ml (irrespective of strength of simethicone, if included).</p> <p>*** – Regular strength is considered to be any strength of aluminum hydroxide of 400mg or less per 5ml.</p> <p>**** – Extra strength is considered to be any strength of aluminum hydroxide of 400mg or more per 5ml.</p>		
<b>Anti-Hemorrhoidals</b>	<b>Hemorrhoidal Preparation Suppository</b>	\$0.25215/ea	7/1/01
	<b>Hemorrhoidal Preparation Ointment</b>	\$0.03749/gm	7/1/01
<b>Capsaicin</b>	<b>Capsaicin Cream 0.025%</b>	\$0.32999/gm	7/1/01
	<b>Capsaicin Cream 0.050%</b>	\$0.53580/gm	7/1/01
<b>Cough and Cold Products</b>	<b>Chlorpheniramine Maleate</b>		
	4mg Tablet	\$0.00927/ea	7/1/01
	2mg/5ml Syrup	\$0.00374/ml	7/1/01
	<b>Diphenhydramine HCL</b>		
	25mg Capsule/Caplet/Tablet**	\$0.01521/ea	7/1/01

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Table 1.1 - State of Indiana Over-the-Counter Drug Formulary

<b>State of Indiana Over-the-Counter Drug Formulary</b> <b>Effective November 1, 1996</b> <b>(Revised October 12, 2001)</b>			
<b>Class</b>	<b>Drug/Dosage</b>	<b>MAC Rate</b>	<b>Effective</b>
	Elixir	\$0.01087/ml	7/1/01
	12.5mg/5ml Syrup	\$0.00549/ml	7/1/01
	<b>Guaifenesin</b>		
	100mg/5ml Syrup	\$0.01242/ml	7/1/01
	<b>Guaifenesin/D-Methorphan</b>		
	<b>Pseudoephedrine HCL</b>		
	30mg Tablet	\$0.02835/ea	7/1/01
	7.5mg/0.8ml Drops	\$0.21540/ml	7/1/01
	30mg/5ml Liquid	\$0.01252/ml	7/1/01
	Note: * – Products marketed as sleep aids are not covered ** – Products subject to Federal Upper Limits (FUL), State OTC MAC rate is the same as the FUL rate.		
<b>Enzymes</b>	<b>Lactase Enzymes</b>	\$0.07295/ea	7/1/01
<b>Laxatives</b>	<b>Docusate Sodium</b>		
	150mg/15ml Liquid	\$0.01950/ml	7/1/01
	60mg/15ml Syrup	\$0.00653/ml	7/1/01
	50mg Capsule/Caplet/Tablet	\$0.03452/ml	7/1/01
	100mg Capsule/Caplet/Tablet	\$0.02322/ea	7/1/01
	100mg Tab	\$0.02322/ea	7/1/01
	<b>Docusate Calcium 240mg Capsule</b>		
	<b>Senna</b>		
	Tablets	\$0.07022/ea	7/1/01
	Syrup	\$0.06555/ml	7/1/01
	Granules	\$0.10623/gm	7/1/01
	<b>Bisacodyl</b>		
	5mg Tablet EC	\$0.02250/ea	7/1/01
	Suppository	\$0.11497/ea	7/1/01
<b>Casanthranol/Docusate Sodium</b>			

(Continued)

Table 1.1 - State of Indiana Over-the-Counter Drug Formulary

State of Indiana Over-the-Counter Drug Formulary Effective November 1, 1996 (Revised October 12, 2001)				
Class	Drug/Dosage	MAC Rate	Effective	
	30/100 Capsule	\$0.03222/ea	7/1/01	
	Syrup	\$0.03222/ml	7/1/01	
	<b>Milk of Magnesia Suspension</b>	\$0.00522/ml	7/1/01	
	<b>Psyllium mucilloid powder</b>			
	All strengths	\$0.01593/gm	7/1/01	
	<b>Psyllium mucilloid, effervescent powder</b>			
	All strengths	\$0.18900/gm	7/1/01	
	<b>Sodium Phosphate/NA Biphos</b>			
	Enema, Adult/Pediatric	\$0.00657/ml	7/01/01	
	<b>Therevac-SB</b>			
	Docusate Na 238mg/PEG/Glycerin 275mg/4ml	\$1.24687/ea	7/1/01	
<b>Miconazole Vaginal Products</b>	<b>Miconazole Nitrate ointment/cream</b>	\$0.17100/gm	7/1/01	
	Suppository	\$1.22215/ea	7/1/01	
<b>Ophthalmic Products</b>	<b>Artificial tears ophthalmic solution</b>	\$0.20403/ml	7/1/01	
<b>Ophthalmic Products</b>	<b>Artificial tears ophthalmic solution</b>	\$0.20403/ml	7/1/01	
	<b>Artificial tears ophthalmic solution, preservative free</b>	\$0.26568/ml	7/1/01	
	<b>Artificial tears ophthalmic ointment</b>	\$0.93213/gm	7/1/01	
	<b>Artificial tears ophthalmic ointment, preservative free</b>	\$1.44000/gm	7/1/01	
<b>Simethicone</b>	<b>Simethicone</b>			
	40mg/0.6ml Drops	\$0.14999/ml	7/1/01	
<b>Topical Antibacterial</b>	<b>Bacitracin</b>			
	500U/gm Ointment	\$0.04527/gm	7/1/01	
	<b>Bacitracin/Polymixin B Sulfate</b>			
	Ointment	\$0.12689/gm	7/1/01	
	Topical Powder	\$0.80730/gm	7/1/01	

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<b>Class</b>	<b>Drug/Dosage</b>	<b>MAC Rate</b>	<b>Effective</b>
	<b>Triple Antibiotic Bacitracin/Polymyxin B/ Neomycin, ointment</b>	\$0.09684/gm	7/1/01
	<b>Neomycin Sulfate/Polymyxin B Sulfate, ointment</b>	\$0.08190/gm	7/1/01
	<b>Neomycin Sulfate</b>		
	0.5% Ointment	\$0.05670/gm	7/1/01
	<b>Neomycin Sulfate/HC</b>		
	1% Ointment	\$0.01044/gm	7/1/01
<b>H<sub>2</sub> Antagonists</b>	<b>Cimetidine</b>		
	200mg Tablet	\$0.361440/ea	7/1/01
	<b>Famotidine</b>		
	10mg Tablet	\$0.271518/ea	7/1/01
	<b>Nizatidine</b>		
	75mg Tablet	\$0.37328/ea	7/1/01
	<b>Ranitidine</b>		
75mg Tablet	\$0.295200/ea	7/1/01	
<b>Glucose</b>	<b>Glucose Tablets, 25 GM</b>	\$0.11700/ea	7/1/01
	<b>Gel (40% Dextrose) 25GM</b>	\$0.03161/gm	7/1/01
<b>Smoking Cessation Products</b>	<b>Nicotine Chewing Gum</b>		
	2mg Gum	\$0.34794/ea	1/1/02
	4mg Gum	\$0.44210/ea	1/1/02
	<b>Nicotine Topical Patch</b>		
	7mg/24 hour	\$3.03093/ea	1/1/02
	14mg/24 hour	\$3.03093/ea	1/1/02
	21mg/24 hour	\$3.03093/ea	1/1/02
	11mg/24 hour	\$2.41264/ea	1/1/02
	22mg/24 hour	\$2.41264/ea	1/1/02
	15mg/16 hour	\$3.17700/ea	1/1/02



Table 1.2 – State of Indiana Over-the-Counter Vitamins and Mineral Supplement Formulary

<b>State of Indiana Vitamin and Mineral Supplement List</b>			
<b>Effective January 1, 2001</b>			
<b>Class</b>	<b>Product/Strength</b>	<b>MAC Rate</b>	<b>Effective</b>
<b>Calcium Supplements</b>	Calcium Carbonate/Vitamin D	\$0.04959/ea	6/30/01
	Calcium Carbonate 1.25gm Tablet (500mg Elemental Calcium)	\$0.05774/ea	6/30/01
	Calcium Citrate 950mg Tablet	\$0.04950/ea	6/30/01
<b>Iron Supplements</b>	<b>Polysaccharide Iron</b>		
	150mg Capsule/Caplet/Tablet	\$0.17055/ea	6/30/01
	<b>Ferrous Sulfate</b>		
	220mg/5ml Elixir	\$0.00909/ml	6/30/01
	325mg Tablet	\$0.01746/ea	6/30/01
	325mg Tab EC	\$0.01746/ea	6/30/01
	150mg Extended Release Tablet	\$0.16397/ml	6/30/01
	75mg/0.6ml Drops	\$0.05112/ml	6/30/01
<b>Vitamins</b>	<b>Vitamin B Complex with/without Minerals Liquid</b>	\$0.01044/ml	6/30/01
	<b>Ascorbic Acid</b>		
	1000mg Tablet	\$0.04455/ea	6/30/01
	250mg Tablet	\$0.01620/ea	6/30/01
	500mg Tablet	\$0.02331/ea	6/30/01
	1500mg Caplet SA	\$0.07844/ea	6/30/01
	Powder	\$0.03713/gm	6/30/01
	Granular	\$0.06793/gm	6/30/01
	Liquid	\$0.02437/ml	6/30/01
	500mg/5ml Syrup	\$0.02662/ml	6/30/01
	<b>Pyridoxine HCL</b>		
	100mg Tablet	\$0.02475/ea	6/30/01
	25mg Tablet	\$0.02061/ea	6/30/01
	250mg Tablet	\$0.06750/ea	6/30/01
	50mg Tablet	\$0.01791/ea	6/30/01
	500mg Tablet	\$0.10143/ea	6/30/01
	<b>Riboflavin</b>		
	100mg Tablet	\$0.03434/ea	6/30/01

(Continued)

Table 1.2 – State of Indiana Over-the-Counter Vitamins and Mineral Supplement Formulary

<b>State of Indiana Vitamin and Mineral Supplement List</b>			
<b>Effective January 1, 2001</b>			
<b>Class</b>	<b>Product/Strength</b>	<b>MAC Rate</b>	<b>Effective</b>
	50mg Tablet	\$0.02583/ea	6/30/01
	<b>Thiamine</b>		
	100mg Tablet	\$0.01971/ea	6/30/01
	250mg Tablet	\$0.04637/ea	6/30/01
	50mg Tablet	\$0.01350/ea	6/30/01
	<b>Vitamin E</b>		
	100 IU Capsule	\$0.02952/ea	6/30/01
	200 IU Capsule	\$0.03690/ea	6/30/01
	400 IU Capsule	\$0.04752/ea	6/30/01
<b>Multivitamins</b>	<b>Multivitamins with/without Iron, Other Minerals</b>		
	Liquid	\$0.01044/ml	6/30/01
	Tablet	\$0.03510/ea	6/30/01
	Capsule	\$0.03510/ea	6/30/01
<b>Pediatric Vitamins</b>	<b>Multivitamins with/without Iron, Other Minerals</b>		
	Tablet	\$0.03411/ea	6/30/01
	Liquid	\$0.06804/ml	6/30/01
<b>Niacin</b>	<b>Niacin</b>		
	100mg Tablet	\$0.01350/ea	6/30/01
	250mg Tablet	\$0.01962/ea	6/30/01
	50mg Tablet	\$0.01071/ea	6/30/01
	500mg Tablet	\$0.03870/ea	6/30/01
<b>Zinc Replacements</b>	<b>Zinc</b>		
	Lozenges	\$0.05529/ea	6/30/01
	220mg Capsule	\$0.04995/ea	6/30/01
	200mg Tablet	\$0.00599/ea	6/30/01
<b>Magnesium Replacements</b>	<b>Magnesium</b>		
	64mg Tablet, Extended Release	\$0.10425/ea	1/1/02
<b>Dialysis Supplements</b>	<b>Vitamins and Minerals for Dialysis</b>		

(Continued)

Table 1.2 – State of Indiana Over-the-Counter Vitamins and Mineral Supplement Formulary

<b>State of Indiana Vitamin and Mineral Supplement List</b>			
<b>Effective January 1, 2001</b>			
<b>Class</b>	<b>Product/Strength</b>	<b>MAC Rate</b>	<b>Effective</b>
	Calcium Carbonate Liquid 1.25gm/5ml	\$0.01800/ml	6/30/01
	Ferrous Sulfate Drops 75mg/0.6ml	\$0.05112/ml	6/30/01

*Note: The Vitamins and Mineral Supplement List applies only to vitamins and mineral supplements prescribed to non-RBMC Medicaid members. The list does not pertain to members of the Hoosier Healthwise Package C program.*

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