

be provided or the quantity will be reduced to the smaller package size. Example: If the recipient uses 2 lancets per day, the provider notes on the 1144 that the lancets will only be dispensed every 3 months or 100 days.

The MQD is planning to increase the monthly cumulative maximum amount of billed charges for supplies which do not require medical authorization on the 1144 form and used by recipients for the management of DIABETES MELLITUS to \$125. Currently, the cumulative charge for all medical supplies is \$50. Providers will be notified of the date of implementation and of the specific codes which apply.

B. Alcohol Swabs for Blood Glucose Testing No Longer Reimbursible

Effective immediately, alcohol swabs are no longer reimbursible for blood glucose testing purposes because the alcohol may interfere with the blood glucose reading. As a result, they are no longer considered medically necessary. Alcohol swabs to be used on the skin at the site where the insulin is to be injected are still a covered supply.

3. Return of Medications for Credit

Hawaii State Law, Act 011, states medications may be returned to the pharmacy provider from institutions and supervised living groups for redistributing or redispensing under certain circumstances.

All participating Medicaid providers are expected to follow this new law and credit the Hawaii Medicaid program for those medications that are determined to be appropriate for redispensing. The Med-QUEST Division shall not pay for any unused pharmacy items returned to the dispensing pharmacy by or on behalf of a recipient, due to a change in prescription, death of a recipient etc., when the item can be accepted by the pharmacy in accordance with federal and state laws and regulations.

The institution or living group and the pharmacy shall designate separate areas for medications which are to be destroyed or returned for redispensing.

The facility or living group shall designate responsible staff to document all medications which are returned to the pharmacy. The return record must include the recipient name, the prescription number, medication name and strength, quantity, date issued by the pharmacy and the date the pharmacy picked up these medications. These records must be kept for auditing purposes to compare with the pharmacy records. If multiple pharmacy vendors are used, a separate record shall be kept for each one.

The facility or living group should return medications to the pharmacy provider at least monthly.

The pharmacy must designate responsible staff to pick up the medications from the facility or living group and document all medications received from each facility or living group. The pharmacy must keep a separate record for each facility or living group it services. If the medications are to be redispensed, the Med-QUEST Division must be credited for these returns. If the medications are not redispensed, they must be destroyed. The pharmacy record must include the following information: date received from the facility or living group, the recipient

name, prescription number, medication name and strength, date originally issued by the pharmacy, the date of destruction or the date returned for redispensing.

The pharmacy may keep the original dispensing fee, the Medicaid payment for the medication which was used and a restocking fee which is 10% of the ingredient cost (EAC, FUL, etc.) of the units or quantity of drug returned. The restocking fee will be capped at \$50.00 per prescription.

Example: 2 bottles of Drug X were dispensed for \$14.67 (dispensing fee = \$4.67 + ingredient cost = \$10.00) and 1 bottle was returned for redispensing.

The pharmacy may keep:

1. Dispensing fee = \$4.67
2. Cost of 1 bottle used: $\$10.00/2 = \5.00
3. 10% of the cost of the bottle returned: $\$10.00/2 \times 10\% = \0.50

The remainder ($\$14.67 - \10.17) \$4.50 would be credited to the MQD.

The credit for the medications for redispensing must be submitted to MQD within 60 days of receipt of the medication by the pharmacy.