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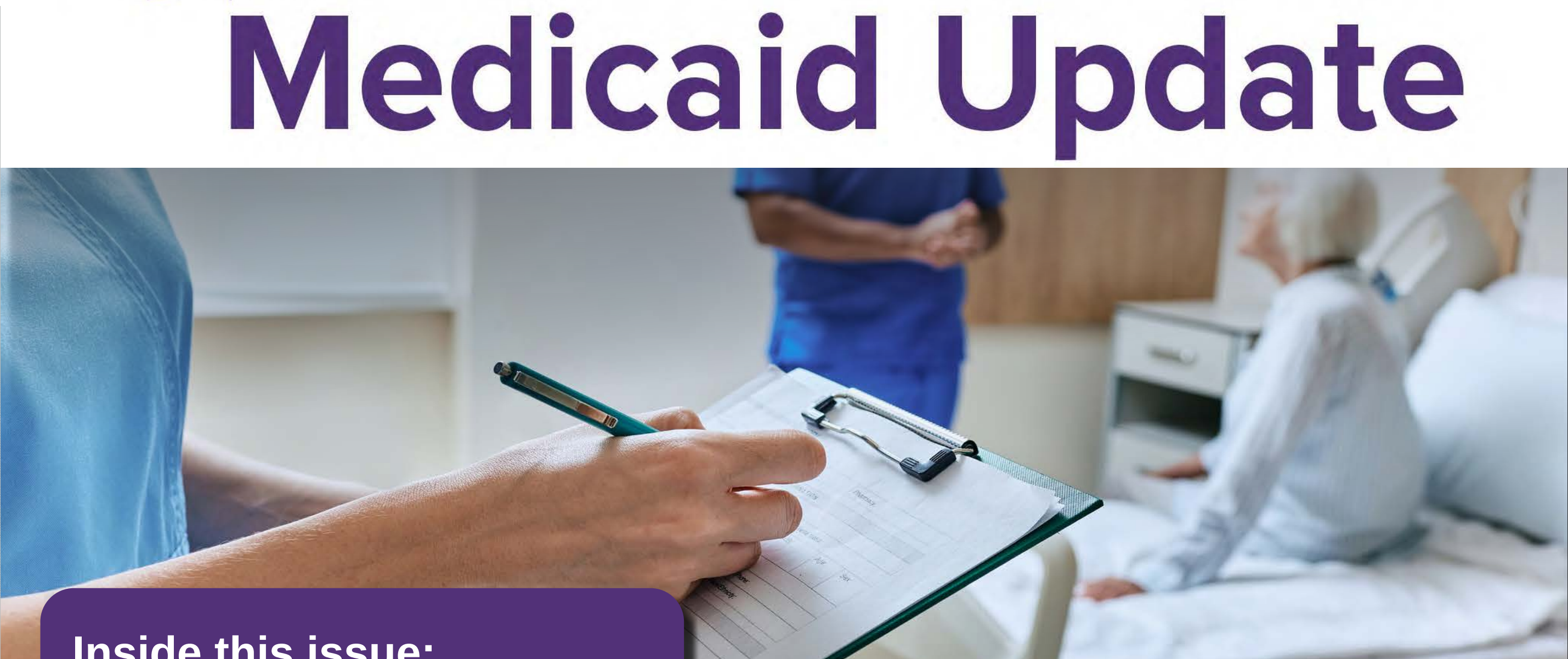
Medicaid Update



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Inpatient Admission and Observation Policy for New York State Medicaid Providers

5/30/2025 New information highlighted below

This document provides policy and billing guidelines for New York State (NYS) Medicaid providers to clarify the criteria for when a hospital stay qualifies for inpatient status, thus becoming eligible for inpatient reimbursement. These guidelines are intended to standardize the decision-making process and promote consistent application of inpatient admission criteria across health care facilities.

Providers may encounter cases where patients require hospital care but do not meet inpatient admission criteria. It is essential to distinguish between formal inpatient admission, which is based on a documented medical order, and placement into observation status, as this distinction significantly impacts billing, and NYS Medicaid claim processing and payment.

Inpatient Admission Requirements

NYS Medicaid generally follows the Two-Midnight Rule used by Medicare, which deems inpatient admission appropriate when the patient is expected to need hospital care for at least two midnights, ensuring that admission is medically necessary, and that care cannot be provided in an outpatient setting. For an inpatient admission order to be valid, it must be signed, before admission, by a physician directly involved with the care of the patient. This involvement must be documented with signed notes showing the physician examined the patient, contributed tothe care plan, and engaged in medical decision-making. The order must be completed by a qualified physician (the "ordering practitioner") who:

- holds admitting privileges at the specific hospital, and
- is familiar with the condition of the patient, treatment plan, and hospital needs at the time of admission.

The admission decision should be based on a comprehensive assessment, supported by documentation that reflects the need for inpatient care, such as continuous monitoring or intensive treatment. If the anticipated stay is less than two midnights, observation status should be considered, as it applies when the needs of the patient are expected to resolve within a shorter timeframe and do not warrant inpatient admission.

Two-Midnight Rule Exceptions

Certain circumstances may justify inpatient admission even if the patient does not meet the two-midnight rule. These exceptions include:

- departure Against Medical Advice (AMA),
- rapid clinical improvement,
- transfer to another facility, and
- patient death.

Where the admitting physician expects a patient to require hospital care for only a limited period that does not cross two midnights, an inpatient admission may be appropriate for payment under NYS Medicaid where the clinical judgment of the admitting physician and medical record support the determination. The decision of the physician should be based on the complexity of medical factors effecting the patient including patient history and comorbidities, the severity of signs and symptoms, current medical needs, and the risk of an adverse event. In these cases, the factors that lead to the decision to admit the patient as an inpatient must be supported by the medical record.

Observation Status Guidelines

Observation status applies when the patient has been evaluated in the emergency department (ED) and admitted for further assessment, yet a diagnosis or determination regarding admission, discharge, or transfer cannot be accomplished within eight hours of admission to observation but can reasonably be expected within 48 hours. If the condition of the patient requires extended hospital care, a decision to admit as an inpatient should be made. Observation status is intended for cases where it is initially unclear whether inpatient admission is necessary or if the patient may be safely discharged.

Observation status does not require an inpatient admission order. Instead, a physician or qualified practitioner places the patient in observation to assess the need for inpatient care. Documentation should indicate the need for ongoing monitoring, evaluation, or additional testing to support this determination. Additional information can be found in the *Direct Omit for Observation Services* article published in the August 2016 issue of the *Medicaid Update*.

Utilization Review

Hospitals must be diligent in their review of inpatient admissions to ensure compliance with NYS Medicaid billing policies and the medical necessity requirements for inpatient claims. This involves thoroughly evaluating whether the medical factors documented in the medical record support the appropriateness of the inpatient admission, the duration of the stay and the professional services, including drugs and biologicals. Utilization review teams play a critical role in verifying that these criteria are met before submitting a claim to NYS Medicaid. All supporting documentation must be retained for six years for fee-for-service (FFS) members and for ten years for Medicaid Managed Care (MMC) enrollees from the date of payment and made available upon request to substantiate the claim during post-payment reviews.

Provider Responsibilities

To comply with NYS Medicaid billing policies, providers must ensure their staff have a thorough understanding of billing requirements for inpatient admissions and observation status. Ongoing staff education, routine internal audits, and regular evaluations of billing practices and workflows are critical for identifying and resolving gaps in compliance, documentation accuracy, and adherence to NYS Medicaid policies. By implementing these measures, providers can ensure inpatient claim submissions meet NYS Medicaid standards and strengthen utilization review processes.

Questions and Additional Information:

- FFS claim questions should be directed to the eMedNY Call Center at (800) 343-9000.
- FFS coverage and policy questions should be directed to the Office of Health Insurance Programs Division of Program Development and Management by telephone at (518) 473-2160 or by email at FFSMedicaidPolicy@health.ny.gov.
- MMC reimbursement, billing, and/or documentation requirement questions should be directed to the MMC Plan of the enrollee. MMC Plan contact information can be found in the eMedNY *New York State Medicaid Program Information for All Providers –Managed Care Information* document.

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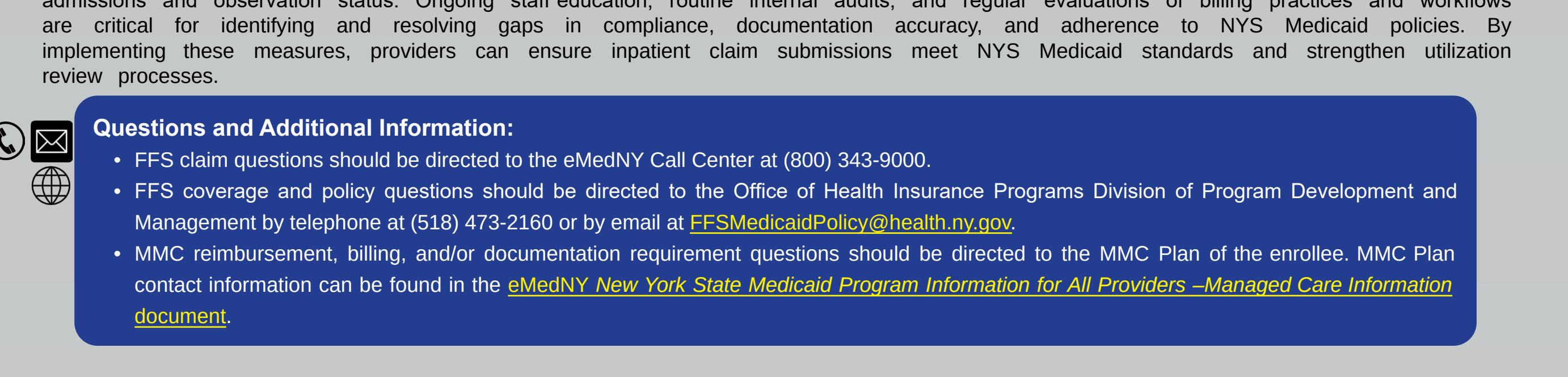

All Providers

eMedNY Provider Training Videos Available

eMedNY offers recorded training videos on a variety of topics that allow providers and staff an alternative learning option that is easy to access and available online. Providers and staff can learn at their own pace and access training content via computer at any time. Recently added and currently available recorded training videos include, but are not limited to:

- *Medicaid Revalidation for Practitioners*
- *Electronic (ERA) or PDF Remittance Advice Request Form Instructions*
- *Fee-For-Service Practitioner Enrollment Application*
- *ePACES – How to Revise a Prior Approval Request for DME*
- *ePACES – How to Cancel a DVS Request for DME*
- *Prior Authorization Roster for Transportation Providers*
- *ePACES for Doulas*

To view the full list of recorded training videos, providers should visit the eMedNY "Provider Training Videos" web page. eMedNY strongly encourages providers to continually monitor the web page for new recorded training videos.

Questions

Questions regarding recorded training videos should be directed to the eMedNY Call Center at (800) 343-9000.

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New York State Medicaid Chronic Disease Self-Management Program for Arthritis

Reimbursement for the Chronic Disease Self-Management Program (CDSMP), as outlined by the Self-Management Resource Center (SMRC), for New York State (NYS) Medicaid members who are 18 years and older with a diagnosis of arthritis, will be available for claims submitted for dates of service **on or after March 1, 2025**, for New York State (NYS) Medicaid fee-for-service (FFS), and **June 1, 2025**, for Medicaid Managed Care (MMC). Providers interested in assisting NYS Medicaid members with skills associated with the management of arthritis, including decision making, problem-solving, and action planning to promote health, can become a NYS Medicaid CDSMP provider. CDSMP providers assist NYS Medicaid members with making lasting behavior changes through group-based training and individual support.

CDSMP is an evidence-based, self-management interactive program for adults that focuses on disease management skills. Its purpose is to increase confidence, physical and psychological well-being, knowledge to manage chronic conditions, and the motivation to manage challenges associated with chronic diseases including arthritis. CDSMP has been shown to improve mental well-being, quality of life, and patient-physician relationships, in addition to reducing health care expenditures. Policy and billing guidelines pertaining to NYS Medicaid coverage of CDSMP are located on the eMedNY "Provider Enrollment & Maintenance – Chronic Disease Self-Management Program (CDSMP)" web page.

Steps to Become a NYS Medicaid CDSMP Provider:

1. **Achieve SMRC Recognition**
   To be eligible to enroll in NYS Medicaid as a CDSMP provider, the applying organization must be SMRC-licensed. Licensing requirements and additional SMRC-specific standards and guidelines are outlined in the *Self-Management Resource Center Implementation and Fidelity Manual*.
2. **Apply to Become a NYS Medicaid CDSMP Provider**
   Private practitioners, practitioner group practices, Article 28 clinics, and Community-Based Organizations (CBOs) that have achieved SMRC CDSMP recognition can enroll in NYS Medicaid as a CDSMP provider and be reimbursed for rendering CDSMP services to NYS Medicaid members.

All CBOs looking to render, and be paid for, CDSMP services must comply with NYS Medicaid provider enrollment requirements and **must**:

- obtain a new National Provider Identifier (NPI) to enroll in NYS Medicaid as a CBO under the category of service (COS) **"0572"**. This is a separate and distinct NYS Medicaid enrollment and does not affect or impact any aspect of the NYS Medicaid provider enrollment file of the provider that may be active under a different NPI and COS;
- comply with the eMedNY *New York State Medicaid Program – Information for All Providers – General Billing* document; ***and***
- comply with any/all federal and State regulatory standards.

Additional information about participating in the NYS Medicaid program as a CDSMP provider, including the required CDSMP provider enrollment forms, can be found on the eMedNY "Provider Enrollment & Maintenance - Chronic Disease Self-Management Program (CDSMP)" web page.

Please note: CDSMP services are provided as preventive services pursuant to 42 Code of Federal Regulations §440.130(c), and must be ordered by a NYS Medicaid-enrolled physician or other qualified licensed health practitioner acting within their scope of practice under state law.

3. **Provide NYS Medicaid CDSMP Services and Bill NYS Medicaid**
   CDSMP services rendered as in-person group-based sessions, or virtually via telehealth, are delivered by two "leaders" who may be two peer leaders, or one health professional and one peer leader, who have received formal training and certification from the SMRC. Leaders are required to obtain, and maintain, a valid NPI. The NPI is for claim reporting purposes only and leaders will not be required to enroll in the NYS Medicaid program. Each SMRC-trained leader must meet the standards and guidelines specified in the Self-Management Resource Center Implementation and Fidelity Manual. The SMRC-recognized organization will supervise the SMRC-trained leaders providing CDSMP services on behalf of the organization, ensuring the leaders comply with all SMRC requirements.

Leaders will work with NYS Medicaid members to provide them with an understanding of their condition and help them gain confidence by assisting them with:

- managing the physical and psychological effects of arthritis;
- exercising and using medications appropriately;
- communicating effectively with family, friends, and health professionals;
- maintaining healthy nutrition and sleep habits;
- making informed treatment decisions; ***and/or***
- problem-solving to address obstacles specific to arthritis.

Questions and Additional Information:

- Fee-for-service (FFS) coverage and policy questions related to CDSMP should be directed to the Office of Health Insurance Programs Division of Program Development and Management by telephone at (518) 473-2160 or by email at FFSMedicaidPolicy@health.ny.gov.
- FFS billing/claim questions should be directed to the eMedNY Call Center at (800) 343-9000.
- MMC reimbursement, billing, and/or documentation requirement questions should be directed to the specific MMC Plan of the enrollee.
- MMC Plan contact information can be found in the eMedNY New York State Medicaid Program Information for All Providers – Managed Care Information document.
- Additional information pertaining to NYS Medicaid coverage of the SMRC evidence-based CDSMP can be found on the eMedNY "Provider Enrollment & Maintenance – Chronic Disease Self-Management Program (CDSMP)" web page.

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Recipient Restriction Program Restriction Edits Restored

Effective February 24, 2025, restriction edits supporting the Recipient Restriction Program (RRP) have been restored. As a result, a restricted recipient will be required to obtain all their care, directly or by referral, from their assigned providers.

An assigned primary care provider (PCP) is responsible for providing direct medical care or coordinating care through referral to another medical provider for specialty services. The assigned PCP is also responsible for ordering all non-emergency transportation, laboratory, durable medical equipment (DME), and pharmacy services for the assigned restricted recipient. A referral will be needed from the assigned PCP for any non-emergency medical services when a specialist is required. Claims submitted for a restricted recipient will be denied if information for the assigned PCP is not included on the claim as the referring provider.

Pharmacies filling prescriptions for a restricted recipient is required to coordinate with the assigned PCP to safely manage the delivery of medications, including verifying referrals if prescriptions were not written by the assigned PCP. The pharmacy is responsible for using professional judgement in filling prescriptions without regard to restriction requirements if the prescriptions were written as part of an emergency department visit and the assigned PCP is unavailable (i.e., after hours) to verify the prescriptions. The pharmacy is responsible for contacting the assigned PCP the next business day regarding the prescriptions obtained by the recipient. An assigned primary inpatient hospital is responsible for providing all non-emergency inpatient services to the restricted recipient except for services provided pursuant to an authorized referral.

Emergency Pharmacy Situations

In the event of an emergency, such as drug shortages, unexpected pharmacy closures, and/or unexpected travel, providers and pharmacies must refer to the instructions and contact information provided below.

During **normal business hours**, the restricted recipient can obtain a temporary authorization to fill the prescription at an alternate pharmacy location by contacting:

- the **New York State (NYS) Office of the Medicaid Inspector General (OMIG)**
  - Call (518) 474-6866 or email omig.sm.rrp@omig.ny.gov (available Monday through Friday from 8 a.m. through 4 p.m.).
- the **local Department of Social Services (LDSS)**, if the restricted recipient received health coverage via LDSS (*Upstate residents*).
  - Providers and pharmacies should refer to the NYS Department of Health "Local Departments of Social Services (LDSS)" web page.
- the **New York City (NYC) Human Resources Association (HRA)**, if the restricted recipient received health coverage via NYC HRA (*NYC-residents*).
  - Call (888) 692-6116.
- **NY State of Health (NYSOH)**, if the restricted recipient obtained health coverage via NYSOH.
  - Call (518) 457-0761 or email hxrestrict@health.ny.gov.

During **nights and weekends**, the pharmacy can obtain a prior authorization (PA) by contacting the **eMedNY Call Center** by telephone at (800) 343-9000 (available Monday through Friday from 4 p.m. through 10 p.m. and Saturday and Sunday from 8:30 a.m. through 5:30 p.m.).

Additional Information

The goal of the RRP is to coordinate medical services and improve quality of care for NYS Medicaid members. Coordination of care reduces the potential over-utilization of health care services and prevents abusive or fraudulent behavior. A restriction is implemented if it is found that a recipient has received duplicative, excessive, contraindicated, or conflicting health care services, drugs, or supplies, or if a recipient commits fraudulent acts with their benefit card (i.e., forged prescriptions, card loaning, doctor shopping). The RRP may restrict the recipient to care provided by a PCP, inpatient hospital, and/or primary pharmacy.

Additional information regarding the RRP can be found on the NYS OMIG "About the Recipient Restriction Program (RRP)" web page.

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New York State Medicaid
Evidence Based Benefit Review Advisory Committee Meeting on April 10, 2025

The New York State (NYS) Medicaid Evidence Based Benefit Review Advisory Committee (EBBRAC) will convene a meeting on Thursday, April 10, 2025, from 10 a.m. to 3:30 p.m., to review "Contingency Management for Stimulant Use Disorder". The meeting will be held at the following address: 90 Church Street, Conference Room A&B, New York NY 10007.

Public presentations are welcome; however, interested parties must notify the NYS Department of Health (DOH) by Friday, April 4, 2025, of their request to address the NYS Medicaid EBBRAC, in-person, during the public presentation period. Requests may be submitted by email to EBBRAC@health.ny.gov, with "EBBRAC Speaker Request" in the subject line of their email. Additionally, interested parties must complete the information found in the *Evidence Based Benefit Review Advisory Committee Public Presentation Registration Form*.

Background

NYS Medicaid EBBRAC was established in 2015 pursuant to Chapter 57, Part B, §46-a of the Laws of 2015, as Social Services Law §365-d, to make recommendations to the NYS DOH regarding NYS Medicaid coverage of health technologies and services.

Additional Information

Providers should refer to the NYS DOH Medicaid "Evidence Based Benefit Review Advisory Committee (EBBRAC)" web page or email EBBRAC@health.ny.gov, for additional information regarding NYS Medicaid EBBRAC and upcoming meetings.

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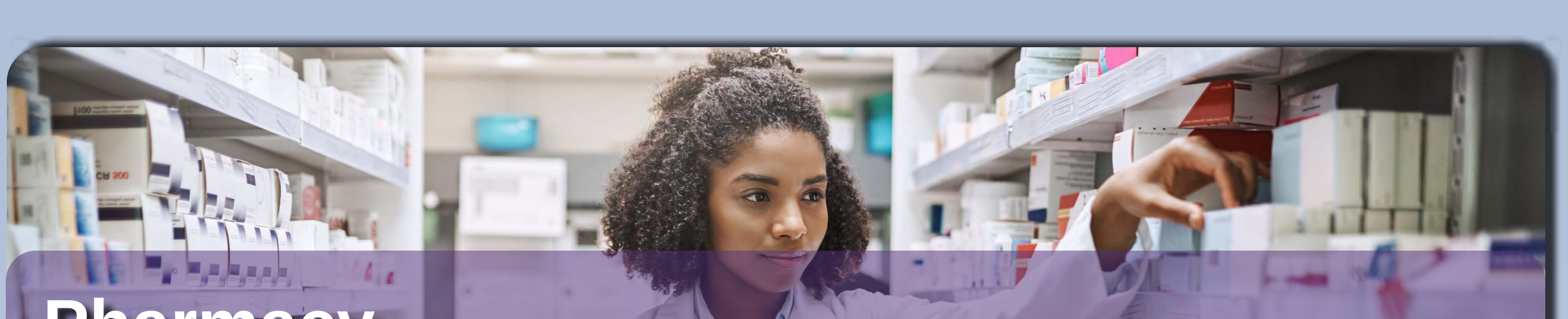

Pharmacy

NYRx, the Medicaid Pharmacy Prior Authorization Program Update

On October 25, 2024, the New York State (NYS) Medicaid Drug Utilization Review (DUR) Board recommended changes to NYRx, the Medicaid pharmacy prior authorization (PA) program. The Commissioner of Health has reviewed the NYS Medicaid DUR Board recommendations and has approved changes to the NYRx Preferred Drug Program (PDP) within the fee-for-service pharmacy program.

Effective February 6, 2025, PA requirements will change for some drugs in the following PDP classes:

- Insulin – Long-Acting
- Sodium Glucose Co-Transporter 2 Inhibitors

Effective April 1, 2025, coverage will change for the following over-the-counter (OTC) products.

- ***Removed*** **from the** ***New York State Department of Health List of Medicaid Reimbursable Drugs*****, include:**
  - OTC nasal products containing oxymetazoline,
  - OTC oral products containing phenylephrine,
  - OTC oral products containing simethicone,
  - OTC glucose tablets, and
  - OTC topical products containing bacitracin or neomycin.
- ***Remain*** **on the** ***New York State Department of Health List of Medicaid Reimbursable Drugs*****, include:**
  - OTC multivitamins with an age edit in place allowing coverage for NYS Medicaid members less than 21 years of age. This age edit does not include prenatal multivitamins.

Additional Information and Questions:

- For detailed information about the NYS Medicaid DUR Board, providers should refer to the NYS Department of Health "Drug Utilization Review (DUR)" web page.
- For current information on NYRx, the Medicaid Pharmacy PA programs, providers should refer to the *NYRx, the Medicaid Pharmacy Program Preferred Drug List*. This document contains a full listing of drugs subject to the NYRx pharmacy programs.
- For practitioner-administered drug *Clinical Criteria Worksheets*, providers should refer to the NYS DOH "New York State Medicaid Fee-for-Service Practitioner Administered Drug Policies and Billing Guidance" web page.
- To obtain PA, providers should contact the clinical call center at (877) 309-9493. The clinical call center is available 24 hours per day, seven days per week, and staffed with pharmacy technicians and pharmacists who will work with you or your agent to quickly obtain a PA.
- NYS Medicaid-enrolled prescribers can also initiate PA requests using the web-based pharmacy PA request/response application, PAXpress®. PAXpress® is accessible via the eMedNY home page, by selecting the PAXpress® button on the bottom-right of the web page.

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Notice for Upcoming Over-the-Counter Coverage Changes

As part of the commitment to enhancing patient care, NYRx, the New York State (NYS) Medicaid Pharmacy program, has recently conducted a thorough review of over-the-counter (OTC) medication utilization and their clinical effectiveness. This review is in response to a recent amendment to NYS Social Services Law §365-A, **effective October 1, 2024**. These changes are meant to promote the use of safe, effective, and medically necessary Food and Drug Administration (FDA)-approved prescription and non-prescription drugs for NYRx members. The changes provided below are **effective April 1, 2025**, following a 60-day NYS Medicaid member notice.

Key Changes to the OTC Formulary

During the NYS Medicaid Drug Utilization Review (DUR) Board Meeting held on October 25, 2024 (providers should refer to the meeting outline), the DUR Board reviewed and approved coverage changes for the following drugs/drug categories:

- **Cough and Cold Products**
  - Oxymetazoline
  - Phenylephrine
- **Gastrointestinal Products**
  - Simethicone
- **Anti-hypoglycemics**
  - Glucose Tablets
- **Dermatologicals**
  - Neomycin
  - Bacitracin
- **Multivitamins** (for NYS Medicaid members 21 years of age and older)

For additional information, providers should refer to the NYS Department of Health (DOH) "Drug Utilization Review (DUR) Board – 2024" web page.

Rationale for Changes:

- **Supporting Evidence-Based Approaches:** Aligns NYS Medicaid benefits with clinical evidence, promoting the most effective treatments for patients.
- **Focus on Patient Safety:** Prioritized minimizing misuse of dangerous or high-risk medications to limit the potential for adverse medical events and enhance medication safety.
- **Aligning with Best Practices:** Recommendations are based on current clinical guidelines that favor specific prescription medications or non-pharmaceutical options over OTC drugs for certain conditions.

Impact on Providers and Patients:

- **Transition to Alternative Therapies:** Providers are encouraged to discuss these changes with their patients. Alternative treatment options may be available for medically necessary use. For example, alternatives to oxymetazoline or phenylephrine may include other decongestants or nasal corticosteroids that offer more effective long-term management of nasal congestion.
- **Patient Education:** NYRx will notify NYS Medicaid members of these changes. Additionally, provider education to patients about these formulary changes is helpful and may provide available alternatives. Ensuring that patients understand the rationale behind these changes and the benefits of alternative therapies is essential for a smooth transition.
- **Adjusting Prescribing Practices:** Given these changes, providers may need to modify their prescribing practices. Staying informed about which medications remain covered and considering the most appropriate therapies for patient needs will be crucial.

NYRx is committed to continuously monitoring medication utilization and effectiveness to ensure that the OTC formulary remains aligned with evidence-based practices.

Questions

Questions regarding this policy should be directed to NYRx@health.ny.gov.

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NYRx Pharmacy Drug Coverage: Claims Processing Enhancements and Reminders

This communication serves as a reminder to all pharmacies of their responsibility for continued enrollment, to adhere to the policies and procedures of the New York State (NYS) Medicaid program.

NYRx Drug Coverage Criteria

NYRx, the NYS Medicaid Pharmacy program, covers most medically necessary Food and Drug Administration (FDA)-approved drugs when used for NYS Medicaid-covered FDA-approved or compendia-supported indications.

The *New York State Department of Health List of Medicaid Reimbursable Drugs* has been established by the NYS Commissioner of Health. As previously stated in past *Medicaid Update* articles, including in the *Medicaid Pharmacy List of Reimbursable Drugs* article published in the June 2020 issue of the *Medicaid Update*. The list can be searched and sorted by National Drug Code (NDC), as well as description, drug type, labeler, cost, prior authorization (PA) code, or over-the-counter (OTC) indicator.

Only those prescription and non-prescription drugs, which appear on the list, with their 11-digit NDCs, are reimbursable under NYRx. The list also contains those non-prescription therapeutic categories, which the Commissioner of Health has specified as essential in meeting the medical needs of NYS Medicaid members.

Drug Coverage Limitations

NYS Medicaid only provides reimbursement for drugs included on the *New York State Department of Health List of Medicaid Reimbursable Drugs* (unless provided by a facility which includes the cost of drugs in their all-inclusive rate). The following are examples of drugs/drug uses which are not reimbursable by NYS Medicaid, in accordance with policy and/or state or federal legislation:

- Drugs used for the treatment of anorexia, weight loss or weight gain pursuant to Social Security Act (SSA) §1927(d)(2).
- Drugs for the treatment of sexual dysfunction pursuant to SSA §1927(d)(2), and Social Services Law (SOS) §365-a(4)(f).
- Drugs without a federal rebate agreement or a rebate agreement with a State authorized by the Secretary pursuant to SSA §1927(a).
- Drugs indicated for cosmetic use or hair growth pursuant to SSA §1927(d)(2).
- Any contrast agents, used for radiological testing (these are included in the fee of the radiologist).
- Drugs packaged in unit doses for which bulk product exists.

Claims Processing

Pharmacy claims submitted for medications that are not active on the *New York State Department of Health List of Medicaid Reimbursable Drugs* will be rejected with targeted National Council for Prescription Drug Programs (NCPDP) messaging. Rejection messaging has recently been updated to provide additional detail regarding coverage criteria. Reject messages are returned via NCPDP field **511-FB**: Reject Code. Additionally, the Medicaid Eligibility Verification System (MEVS) Denial Code for a transaction is returned within the additional message information **526-FQ** and indicates the MEVS error for rejected transactions.

Claim Edit Details

In an effort to help pharmacies better understand why a claim is rejecting, the NYS Department of Health has enhanced its current editing for products not covered by the NYRx. This enhancement created four new edits in addition to our existing two edits, to further specifically message why a product is not covered. The following information provides more detail of these changes.

Drugs Without Federal Rebate Agreement

Pursuant to SSA §1927(a), drug manufacturers are required to participate in the Medicaid Drug Rebate Program (MDRP) for coverage. NDCs of non-participants will reject with the NCPDP reject message provided below. Providers should consult the *New York State Department of Health List of Medicaid Reimbursable Drugs* for a list of covered alternatives. The *Medicaid FFS Removing NDCs* article published in the October 2018 issue of the *Medicaid Update*, addressed the removal of NDCs from the State's formulary, for which the corresponding manufacturers failed to update their NYS Medicaid National Drug Rebate Agreement (NDRA), per Centers for Medicare and Medicaid Services (CMS) requirements. Removal of such NDCs was also applicable to managed care pharmacy formularies.

Edit #	Edit Description	NCPDP Reject Message
02351	NDC Not Federal Participant	AC: Product not covered non-participating manufacturer.

Drug Efficacy Study Implementation Drugs

The Drug Efficacy Study Implementation (DESI) is a program implemented by the FDA in 1962 to require that new drugs be shown effective, as well as safe, to obtain FDA-approval. The amendment required FDA to evaluate the effectiveness of the drugs the agency had approved only for safety between 1938, when Congress enacted the Federal Food, Drug, and Cosmetic Act requiring new drugs be shown to be safe prior to marketing. Drugs that are identified by the FDA as not safe and effective will be rejected with the message below:

Edit #	Edit Description	NCPDP Reject Code
02352	NDC is a DESI drug	**"70"**: NDC not covered. *Requires additional MEVS. Denial code **"722"**: NDC DESI code is invalid.

NDC Excluded from State Plan Coverage

NYS Medicaid only provides reimbursement for drugs included on the *New York State Department of Health List of Medicaid Reimbursable Drugs* (unless provided by a facility which includes the cost of drugs in their all-inclusive rate). The following are examples of drugs/drug uses which are not reimbursable by NYS Medicaid in accordance with policy and/or state or federal legislation:

- Drugs used for the treatment of anorexia, weight loss or weight gain pursuant to SSA §1927(d)(2).
- Drugs for the treatment of sexual dysfunction pursuant to SSA §1927(d)(2) and SOS §365-a(4)(f).
- Drugs indicated for cosmetic use or hair growth pursuant to SSA §1927(d)(2).
- Any contrast agents, used for radiological testing (these are included in the radiologist fee).
- Drugs packaged in unit doses for which bulk product exists.

Edit #	Edit Description	NCPDP Reject Message
02353	NDC excluded from State Plan coverage.	**"70"**: NDC not covered.

Medical Supplies and Durable Medical Equipment

NYRx provides limited coverage of medical supplies when billed by NDC. In the event an NDC for a medical supply is not found on the list of reimbursable drugs, providers should submit the claim using the HCPCS code found in the *NYRx, Medical Supply Codes Billable by a Pharmacy* document. Pharmacies and durable medical equipment, prosthetic devices, prosthetics, orthotics, and supplies (DMEPOS) providers many continue to bill for these items using the HCPCS.

DMEPOS procedure codes and coverage should be submitted in the 11-digit NDC field with leading zeros. Enter the five-character alpha-numeric code (e.g., **"A4259"**) in the last five spaces of the NDC field. NCPDP Field Names: Product/Service Identification (ID) 407-D7 and Product/Service ID Qualifier 436-E1 (valid values include NDC **"03"** and HCPCS **"09"**). If DMEPOS providers submit claim using an NDC number, the claim will reject with the message below:

Edit #	Edit Description	NCPDP Reject Message
02354	Procedure code required instead of NDC.	**8J**: Incorrect product/service ID for processor/payer. *Additional MEVS Denial Code **705**: NDC/Advanced Primary Care (APC) not covered.

Termination Dates

NYRx routinely receives termination date data when NDCs have been discontinued by the manufacturer. Drugs identified as terminated by the manufacturer will reject with this message. Providers should refer to the *New York State Department of Health List of Medicaid Reimbursable Drugs*, for alternative NDCs. As a reminder, the 11-digit NDC on the package dispensed must match the NDC billing code on the *New York State Department of Health List of Medicaid Reimbursable Drugs* and the NDC submitted on the claim.

Edit #	Edit Description	NCPDP Reject Message
01600	Terminated NDC number.	**"825"**: Claim date of service is outside of the product FDA/Nonlinear Solvers and Differential Equations marketing date.

NDC Not Covered

The product is not a NYS Medicaid-covered NDC. The pharmacy may try another NDC for that drug, consult the *New York State Department of Health List of Medicaid Reimbursable Drugs*, or discuss possible alternatives with the prescriber.

Edit #	Edit Description	NCPDP Reject Message
00551	Item not eligible for payment on fill date.	MR: Product not on formulary.

To view frequently rejected drugs, providers should refer to the *NYRx Pharmacy Drug Coverage: Claims Processing Enhancements and Reminders* article in this month's issue.

Resources:

- *eMedNY Edit/Error Knowledge Base (EEKB) Search Tool*
- *NYRx Pharmacy Rejections – How to Identify and Resolve* document
- *New York State eMedNY Billing Guidelines – Pharmacy* (located on the eMedNY "Pharmacy Manual" web page)
- *NYRx, The Medicaid Pharmacy Program: Top Edit Resource*

Questions and Additional Information:

- Questions regarding this guidance should be directed to NYRx@health.ny.gov.
- NYRx billing/claims question should be directed to the eMedNY Call Center at (800) 343-9000. The **eMedNY Call Center** hours are Monday through Friday from 7 a.m. to 10 p.m., and Saturday through Sunday from 8:30 a.m. to 5:30 p.m.

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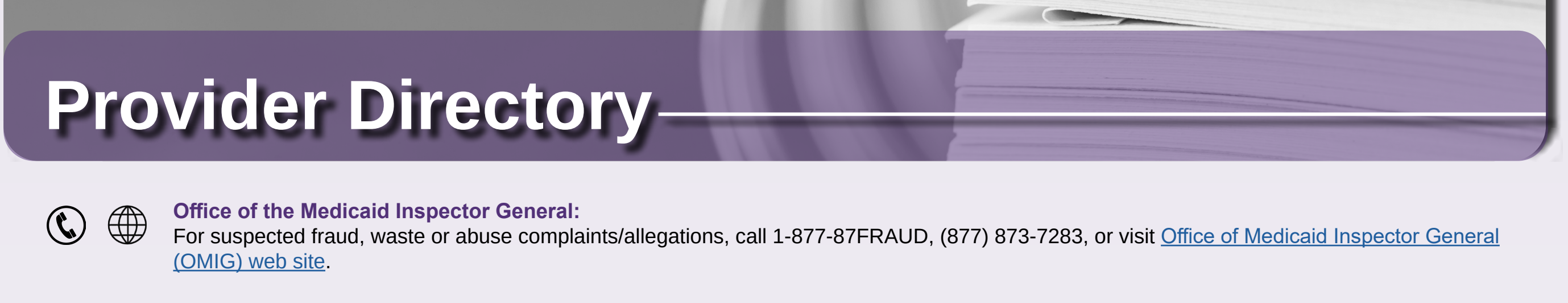

Provider Directory

Office of the Medicaid Inspector General:
For suspected fraud, waste or abuse complaints/allegations, call 1-877-87FRAUD, (877) 873-7283, or visit Office of Medicaid Inspector General (OMIG) web site.

Provider Manuals/Companion Guides, Enrollment Information/Forms/Training Schedules:
Please visit the eMedNY website.

Providers wishing to listen to the current week's check/EFT amounts:
Please call (866) 307-5549 (available Thursday PM for one week for the current week's amount).

For questions about billing and performing MEVS transactions:
Please call the eMedNY Call Center at (800) 343-9000.

Provider Training:
Please enroll online for a provider seminar. For individual training requests, call (800) 343-9000.

Beneficiary Eligibility:
Call the Touchtone Telephone Verification System at (800) 997-1111.

Medicaid Prescriber Education Program:
For current information on best practices in pharmacotherapy, please visit the following websites:

- DOH Prescriber Education Program page
- Prescriber Education Program in partnership with SUNY

eMedNY
For a number of services, including: change of address, updating an enrollment file due to an ownership change, enrolling another NPI, or revalidating an existing enrollment, please visit eMedNY's Provider Enrollment page and choose the appropriate link based on provider type.

Comments and Suggestions Regarding This Publication
Please contact the editor, Angela Lince, at medicaidupdate@health.ny.gov.

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