

Bulletin Number: MSA 07-36

Distribution: Nursing Facilities (Provider Type 60)
County Medical Care Facilities (Provider Type 61)
Hospital Long Term Care Units (Provider Type 62)
Hospital Swing Beds (Provider Type 63)
Ventilator Dependent Units (Provider Type 63)
Nursing Facilities for the Mentally Ill (Provider Type 72)
Pharmacies (Provider Type 50)

Issued: June 29, 2007

Subject: Nursing Facility Return of Unused Drugs

Effective: August 1, 2007

Programs Affected: Medicaid

Pursuant to the Deficit Reduction Act of 2005, the Centers for Medicare & Medicaid Services (CMS) notified State Medicaid agencies of their responsibility to establish policy for the return of unused prescription medications paid for by Medicaid for Nursing Facility (NF) residents. CMS requires that unused prescription medications reimbursed by Medicaid be properly returned by the NF to the pharmacy and that the pharmacy credit Medicaid for the returned medications.

Michigan Medicaid is giving notice with this bulletin that nursing facilities must, with a few exceptions for drugs such as controlled substances that are prohibited from being reused, properly credit Medicaid by returning unused prescription medications to the pharmacy.

This policy is consistent with published pharmacy policy in Section 15.8 of the Pharmacy Chapter, Medicaid Provider Manual. Section 15.8 states: "MDCH does not reimburse for prescriptions that are not consumed by the beneficiary. The quantity of a drug(s) consumed is determined by subtracting the quantity of the drug(s) that is returned for the beneficiary from the quantity that was dispensed for the beneficiary. A pharmacy must credit MDCH for those drugs that are not consumed by the beneficiary."

The NF must maintain documentation of:

- The medicine dispensed and consumed by a beneficiary, and
- The return of all the unused drug(s) to the pharmacy so the pharmacy could credit Medicaid.

The NF and pharmacy may be subject to Medicaid post-payment review to ensure drugs are being returned whenever permitted under Federal and State law, that the pharmacy credited Medicaid for the returned drugs, and that no double billing and payment occurred.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the changes. Any interested party wishing to comment on the changes may do so by submitting comments in writing to:

Michigan Department of Community Health
Bureau of Medicaid Policy & Actuarial Services
Attn: Marion Killingsworth
PO Box 30479
Lansing, Michigan 48909
Or
E-mail: Killingsworth@michigan.gov

If responding by e-mail, please include "Nursing Facility Return of Unused Drugs" in the subject line.

Comments received will be considered for revisions to the changes implemented by this bulletin.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Paul Reinhart, Director
Medical Services Administration