



February 16, 2021

Amy Proveaux
Executive Assistant, Office of the Executive Director
South Carolina Workers' Compensation Commission

Via email: aproveaux@wcc.sc.gov

RE: NCPDP Comments to South Carolina Workers' Compensation Commission on Proposed Changes to Medical Services Provider Manual

Dear Ms. Proveaux:

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit, American National Standards Institute (ANSI) accredited Standards Developer (ASD) consisting of more than 1,700 members who represent drug manufacturers, chain and independent pharmacies, drug wholesalers, insurers, mail order prescription drug companies, pharmaceutical claims processors, pharmacy benefit managers, physician services organizations, prescription drug providers, software vendors, telecommunication vendors, service organizations, government agencies, professional societies and other parties interested in electronic standardization within the pharmacy services sector of the healthcare industry. NCPDP provides a forum wherein our diverse membership can develop solutions, including ANSI-accredited standards, and guidance for promoting information exchanges related to medications, supplies and services within the healthcare system.

NCPDP creates the standards that facilitate the interchange of data among pharmacies, physicians, pharmacy benefits managers, payers, processors and manufacturers - including the Telecommunication Standard Version D.0, the Universal Claim Form (UCF) and the Workers' Compensation/Property and Casualty Universal Claim Form (WC/PC UCF). NCPDP's Work Group 1 (WG1) P and C/WC Monitoring, Billing and Education Task Group is responsible for maintaining the standards and guidance specific to workers' compensation and other property/casualty lines of insurance.

NCPDP WG1 P and C/WC Monitoring, Billing and Education Task Group is writing in response to the proposed changes to the Workers' Compensation Commission's Medical Services Provider Manual. Specifically, NCPDP is writing to recommend the Commission not adopt the proposed Commission-specific billing codes for certain prescription strength topical compound drug categories.

The Commission-specific category codes being proposed are not currently supported by either the NCPDP paper billing (WC/PC UCF) or electronic billing (Telecommunication Standard) standards used by most pharmacies and payers/processors within the system. Adoption of these new unsupported codes will create a situation in which pharmacies and payers/processors are forced to utilize manual methods to process a pharmacy bill as required by Commission rules using state-specific codes.

NCPDP recommends these Division-specific billing codes (SC0801, SC0802 and SC0803) be omitted from the requirements as it is not possible for providers and payers/processors to use these codes to identify products when using the NCPDP industry-adopted national standards. Pharmacy providers and payers/processors rely on the standards for the submission and processing of pharmacy transactions. If these Commission-specific codes are adopted, the industry would be forced to use the alternate and more time-consuming one-off manual process, adding to delays in the processing of billings for medications and additional time and costs for both sides of the transaction (provider and payer).

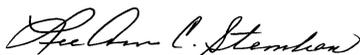
It is also important to note that reimbursement could still be based on the Commission's proposed methodology to cap expenditures on these products without the use of the Division-specific codes, just as with any other maximum fee schedule set by regulation. The use of these codes for billing is not required to ensure reimbursement is capped at the proposed levels. Other states have adopted unique reimbursement rates for similar types of compound products within their workers' compensation systems but have not had to mandate use of state-specific billing codes.

For historical context, the Colorado Division of Workers' Compensation adopted similar state-specific compound categories and their own Division-specific codes several years ago, which created processing issues for pharmacies and payers/processors within the system for many years that are still not completely resolved. Those codes were adopted prior to discussion with NCPDP, so it was not possible for pharmacies to bill in a compliant fashion and still use the standards. Later accommodations were made by NCPDP to permit billing those Division-specific codes for paper billing on the WC/PC UCF and more recently using electronic billing in the Telecommunication Standard; however, this process took time to develop and is not ideal. Pharmacies still cannot bill electronically using the Division-specific codes and instead use standards-compliant stand-in codes that represent or map to them.

Should the Commission want to add new Commission-specific codes or make other types of unsupported billing related changes as part of this or future rulemaking, we strongly encourage Commission staff to reach out to NCPDP well in advance of proposed changes so we can work together toward standards-compliant solutions. This will avoid the adoption of new billing requirements with which pharmacies cannot comply while using the national pharmacy billing standards.

Thank you for consideration of our comments. Please reach out to us with any questions or concerns.

Sincerely,



Lee Ann C. Stember
President & CEO
National Council for Prescription Drug Programs (NCPDP)
9240 E. Raintree Drive
Scottsdale, AZ 85260

For direct inquiries or questions related to this letter, please contact:

Paul Wilson

Technical Analyst, Standards Development
NCPDP
standards@ncdp.org

cc:
NCPDP Board of Trustees