

MEDICAID SERVICES MANUAL  
TRANSMITTAL LETTER

December 27, 2022

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL

FROM: CASEY ANGRES  
MANAGER OF DIVISION COMPLIANCE

SUBJECT: MEDICAID SERVICES MANUAL CHANGES  
CHAPTER 1200 – PRESCRIBED DRUGS

**BACKGROUND AND EXPLANATION**

DHCFP is proposing revisions to Medicaid Services Manual (MSM) Chapter 1200 – Prescribed Drugs, to revise the coverage limitations for over-the-counter (OTC) drugs. The proposed change establishes a Maximum Allowable Cost (MAC) for OTC drugs as well as clarification of coverage requirements, quantity limits, exclusions to the MAC, and prior authorization requirements for all OTC drugs.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

These changes are effective January 9, 2023.

<b>MATERIAL TRANSMITTED</b>	<b>MATERIAL SUPERSEDED</b>
MTL N/A MSM 1200 - Prescribed Drugs	MTL N/A MSM 1200 - Prescribed Drugs

<b>Manual Section</b>	<b>Section Title</b>	<b>Background and Explanation of Policy Changes, Clarifications and Updates</b>
<b>Appendix A, Section E.</b>	<b>Over-the-Counter Medications</b>	Updated section title. Updated coverage and limitations to establish a maximum allowable cost for over-the-counter drugs. Updated prior authorization guidelines for over-the-counter drugs.

## DIVISION OF HEALTH CARE FINANCING AND POLICY

## MEDICAID SERVICES MANUAL

E. Over-the-Counter (OTC) ~~Drugs~~ Medications

Last Reviewed by the DUR Board: N/A

~~Over-the-Counter (OTC) medications~~ drugs are subject to prior authorization and quantity limitations based on the Application of Standards in Section 1927 of the SSA and/or approved by the DUR Board. Refer to the Nevada Medicaid and Check Up Pharmacy Manual for specific quantity limits.

## 1. Coverage and Limitations

- a. OTC drugs must be FDA approved and manufactured by pharmaceutical companies participating in the Federal Medicaid Drug Rebate Program.
- b. OTC drugs are limited to ~~Any more than~~ two prescription requests for medications within the same therapeutic class.
- c. Nevada Medicaid will reimburse up to the OTC Maximum Allowable Cost (MAC) listed in the OTC MAC table. Refer to the Nevada Medicaid Nevada Check Up Pharmacy Manual for details.
- d. Insulin is exempt from any prior authorization and OTC MAC limits.  
~~will require prior authorization.~~

~~A Prior Authorization form must be submitted to the Nevada QIO-like vendor. The QIO-like vendor will request further information needed on a case by case basis to determine the necessity of the medication for the recipient.~~

~~Note: Insulin will be exempt from any prior authorization requirements.~~

## 2. Prior Authorization Guidelines:

- a. Prior Authorization is required for more than two prescriptions within the same therapeutic class. Determinations are based on medical necessity and may require additional information.
- b. Approval will be for a one--month time limit.

~~Prior Authorization forms are available at:~~

~~<http://www.medicaid.nv.gov/providers/rx/rxforms.aspx>~~