

# IHCP *bulletin*

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## IHCP reminds pharmacy providers to submit claims with appropriate DAW codes

As previously announced in *Indiana Health Coverage Programs (IHCP) Bulletin BT201202*, the IHCP reminds fee-for-service (FFS) pharmacy providers to submit point-of-sale (POS) claims with the appropriate dispense-as-written (DAW) codes.

The Indiana Medicaid Statewide Uniform Preferred Drug List (SUPDL) prefers some brand-name drug products over corresponding generic equivalent products due to financial advantages available to the Medicaid program from federal and supplemental rebate agreements.



So that pharmacy providers receive reimbursement consistent with the preferred brand drug cost, these claims must be submitted with a DAW code of “9.” The DAW code of “9” is permitted for multisource brand-name drug products that are preferred under the FFS pharmacy benefit over generic equivalent drugs. In some circumstances, both the brand and generic are preferred. In those situations, the DAW “9” code should be submitted when the preferred brand is dispensed. Failure to use the DAW code of “9” subjects the claim to generic reimbursement methodology.

If a pharmacy provider is unable to dispense a preferred brand-name drug product because the brand-name is not currently manufactured or distributed, or is temporarily out of stock (verified with at least two of the pharmacy’s wholesalers), claims should be submitted for the generic product with a DAW code of “8.” This indicates to the FFS pharmacy benefit manager that the preferred brand-name drug is not available in the marketplace. The inability to access the brand-name drug product for the submitted claim should be documented on the prescription. Claims submitted with a DAW code of “8” are subject to audit and recoupment. Members should be switched to the preferred brand-name drug product as soon as it becomes available. See Table 1 for DAW codes and their descriptions.

*Table 1 – DAW codes and descriptions*

DAW code	Code description
0	No product selection indicated
1	Substitution not allowed by prescriber
5	Substitution allowed – brand drug dispensed as a generic
8	Substitution allowed – generic drug not available in marketplace
9	Substitution allowed by prescriber but plan requests brand – Patient’s plan requested brand product to be dispensed

**For more information**

The SUPDL and information about DAW code options for the FFS pharmacy benefit can be found on the [Optum Rx Indiana Medicaid website](#).

Please direct questions about the SUPDL under the FFS pharmacy benefit or this bulletin to the Optum Rx Clinical and Technical Help Desk by calling toll-free 855-577-6317. Questions regarding pharmacy benefits for members in the Healthy Indiana Plan (HIP), Hoosier Care Connect and Hoosier Healthwise should be referred to the managed care entity (MCE) with which the member is enrolled.

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