



North Dakota Workforce  
Safety & Insurance

# Payment Policy

## Pharmacy

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The fact that a procedure or service is assigned a HCPCS code and a payment rate does not imply coverage by WSI, but indicates only how the procedure or service may be paid if covered by the program. The existence of a procedure code on this list is not a guarantee that the code is covered.

For reference purposes, the sections of the North Dakota Administrative Code that regulate medical services are **92-01-02-27 through 92-01-02-46**. The NDAC can be viewed at the North Dakota Legislative Council web site: <http://www.state.nd.us/lr/information/acdata/html/92-01.html>

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## **Workforce Safety & Insurance**

### **Pharmacy Payment Methodology**

The pharmacy fee schedule is based on Wolters Kluwer Medispan Electronic Drug file wholesale acquisition price (WAC) for all national drug codes (NDC.)

The pharmacy fee schedule for maximum allowable cost (MAC) is based on the most current MAC list provided by US Script, Inc.

WSI reimburses for prescribed brand name drugs at the WAC plus 8%, plus a single per item dispensing fee of \$4.00.

WSI reimburses for generic drugs at the lesser of MAC plus 5% or WAC plus 8%, plus a single per item dispensing fee of \$5.00.

WSI pays in full any charges submitted that are less than or equal to the maximum allowable fee.

Charges for Durable Medical Equipment (DME) or supply items (i.e. gauze, tape, etc.) need to be submitted to WSI in paper format or electronically in the CMS 1500 format.

#### **Compound Medication**

WSI reimburses for compounded prescriptions at average wholesale price (AWP) minus 72%, plus a single item compounding fee based on the following level of effort (LOE) level:

<b>Compound LOE</b>	<b>Value</b>	<b>Reimbursement</b>
<b>Level 1</b>	<b>11</b>	<b>\$10.00</b>
<b>Level 2</b>	<b>12</b>	<b>\$15.00</b>
<b>Level 3</b>	<b>13</b>	<b>\$20.00</b>
<b>Level 4</b>	<b>14</b>	<b>\$25.00</b>

Level 1: Mixing liquids using graduated cylinders.

Level 2: Triturate powder and mix by geometric dilution, mix creams, ointments, emulsions, and liquids by hand or by using unguator.

Level 3: Suppository mold, lollipop mold, and troche/mini-troche mold, dissolve powder using stirrer and hot plate, melt base on hot plate, burette and/or pH meter, making capsules using capsule filling machine.

Level 4: USP 797, sterile compounding using hood

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## **Workforce Safety & Insurance**

### **Provider Remittance Advice**

WSI processes medical service billings weekly. A remittance advice is sent to the provider with the reimbursement check, providing information to the provider about the service, including the patient's name, date of service, procedure billed, submitted amount, and paid amount. The remittance advice also includes reason codes or explanation of benefits (EOB) codes, to explain any reductions in payment of a service or denial of payment.

Some EOB codes allow the patient to be billed for the denied charges, or for the balance of reduced charges. These instances are identified by the statement "CONTACT CLAIMANT FOR PAYMENT". When these EOB codes occur, WSI also sends a "NOTICE OF NON-PAYMENT" EOB to the patient regarding the reduced or denied charges, to inform the patient of their responsibility for the charges.

**If an EOB code does not state the patient may be contacted for payment, any reduction or denial of services is not billable to the patient, the employer, or another insurer.**

Copies of remittance advices can be obtained by calling 1-800-777-5033. You can access the list of our EOB codes on our website in the library section.