



KERN HEALTH SYSTEMS

March 11, 2010

Dear Provider:

The following changes will go into effect April 1, 2010, regarding our Formulary coverage. Please take a moment to familiarize yourself and staff to the amendments.

Additions:

Plan B One Step (levonorgestrel): Adding strength.

Deletions:

Serevent (Salmeterol xinafoate): The FDA has issued stronger warnings and prohibitions in using this category long acting beta agonists (LABAs) alone without the use of an inhaled steroid. This is consistent as well with the asthma guidelines. As such, if a LABA is warranted, then Advair would be allowed, meeting KHS criteria.

Modifications:

None

Repeated information:

TRUE2go & TRUEresult blood glucose test strips: Will be expanding the TRUEtrack product line. The test strips for these meters are True Test. They are preferred as they have no coding and a more robust management software program. See accompanying flyer.

Aranesp (darepoetin): Adding the strengths: 25, 40, 60, 100, and 200 mcg/ml. Preferred agent for chronic use of appropriate ESA (erythropoietin) medications.

Reminders:

Nebulizers: KHS policy allows for our members under the age of 5 years. All other members are asked to use MDIs. Exceptions require prior authorization demonstrating inability to use the MDIs (ie. paralysis, cerebral palsy) or failure of them by worsening lung function. See attached.

Incontinent products: KHS policy allows for members over the age of 5 years based on medical necessity. (ie: paralysis, cerebral palsy, bedridden) Conditions such as neurogenic bladder require evaluation and documentation from the specialist. See attached.

If you are not already, please consider participating in Electronic Funds Transfer (EFT). This is similar to direct deposit for individuals. This will provide a more timely deposition of funds, no lost checks, and electronic EOB statements. Thank you. See attached.

Sincerely,

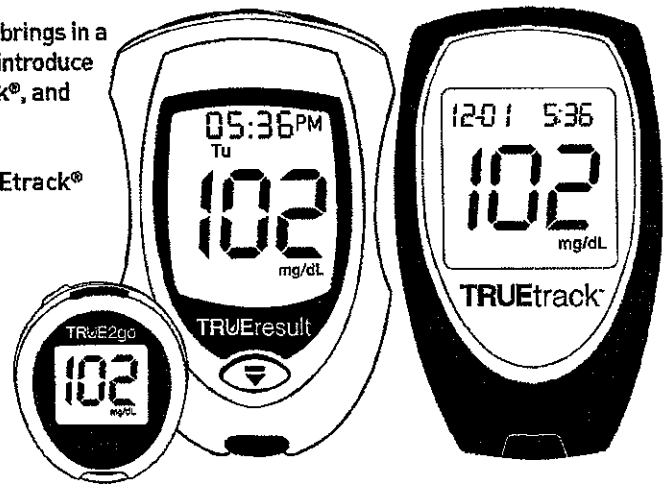
Bruce Wearda, R.Ph.
Corporate Pharmacist



IT'S TRUE. THREE FREE.

Provide Your Kern Family Health Care Plan Members With Diabetes
Their Choice Of A FREE TRUEresult®, TRUE2go™ Or TRUEtrack® Meter.

- 1** When an Kern Family Health Care Plan member brings in a prescription for a blood glucose meter or strips, introduce him/her to TRUEresult®, TRUE2go™ or TRUEtrack®, and review the advantages of the system.
- 2** Dispense the TRUEresult®, TRUE2go™ or TRUEtrack® Meter at no cost or co-pay to the member.
- 3** Transmit the claim to WellPoint nextRx. You can use the same identification number for ALL of your claims (limit 1 per member).



RXBIN #: 610575

PCN #: 00890000

IDENTIFICATION #: FMHC5690339

PERSON CODE #: 001

FREE METER PROCESSING INFORMATION:

- Please use a prescription on file, or call a member's physician to obtain a new prescription.
- Valid prescriber ID is required on the claim for reimbursement.
- Dispense a FREE TRUEresult®, TRUE2go™ or TRUEtrack® Meter at no cost or co-pay to the member.
- One no-charge meter per member.
- Once FREE meter is processed for reimbursement, you cannot submit claim to any other third-party payor.
- No substitution permitted.
- Program may be cancelled at any time without notice.
- Offer void where prohibited by law. Offer good while supplies last.
- Offer valid through 12/31/10.

For assistance in filing this claim, please call the
Pharmacy Help Desk at 1-866-291-1621.

TRUEresult® | TRUE2go™ | TRUEtrack®



Kern Health Systems Criteria

Department: Utilization Management

Subject: Nebulizer

Nebulizers are a device that delivers medication to the airway in the form of a continuous fine mist. Medi-cal covers nebulizers and compressors for patients who meet the established criteria.

If a member is over the age of 5, one or more of the following criteria must be met:

- Diagnosis of chronic pulmonary disease and has recurrent episodes of reversible airflow obstructions and has demonstrated ineffective use of or is unable to use, metered dose inhalers with a spacer and/or dry powder inhalers ;or,
- Another medical condition(s) or situations(s) for which a nebulizer is medically necessary.

Authorizations as medically necessary:

- Authorization for purchase of code E0570 may be granted for 1 device every 3 years. Additional devices need to be submitted with a TAR explaining the reason for replacement.

Purchase of A7005 (administration set, with small volume non filtered pneumatic nebulizer, non disposable) may be billed directly to Medi-Cal without a TAR for supplies every 6 months.

If the nebulizer is for a child (20 years of age or younger), and the child has a CCS-eligible condition, a CCS denial must accompany the TAR in addition to the above requirement.

Kern Health Systems Criteria

Department: Utilization Management

Subject: Incontinence Supplies

Incontinence supplies are covered by Medi-Cal but it must be medically necessary. Examples of medical necessity is a member who is quadriplegic, paraplegic, CVA, severe Mental Retardation, Cerebral Palsy or other conditions where the member is confined to bed and/or wheelchair.

Members with a diagnosis of urinary incontinence, bladder disorder, neurogenic bladder or other bladder disorders should have a referral in their authorization history for completion of a urologic evaluation with detailed documentation of a diagnosis of bladder dysfunction. Initial referrals for incontinence supplies should come from a specialist and the renewal of supplies should be requested by that specialist.

Recommendations for authorization of incontinence supplies:

- Renewal for supplies every 6 months by the same specialist or PCP if no longer seen by that same specialist
- Bed/wheelchair confined members-under pads/diaper/brief
- Ambulatory member with diagnosis of bladder dysfunction-diaper/brief

Authorizing reusable pants, liners and diapers at the same time is a duplication of services and should not be authorized.

Effective 7/1/09, incontinence creams and washes are no longer a Medi-cal covered supplies.

Incontinence supplies are restricted to recipients age 5 or older. A written subscription must be submitted annually.

A limit of \$165 per month, including sales tax and mark-up will be reimbursed per month

March 11, 2010

Dear Provider:

Provider Notice #2:

One of the benefits available with changing our PBM to Argus is a more frequent reimbursement schedule. The reimbursements will be processed on the 10th, 20th, and end of month. The EOB's are processed at the same time. In addition electronic fund transfer is available and is encouraged.

To take advantage of this service, please enroll. Complete the following steps.

Go to the website at www.argushealth.com

Click on MyArgusOnline (it is on the upper left side)

User Id: phrminfo

Password: phrmrx2u

Then click on the Pharmacy link

Click on Forms tab (along the top)

Click on the link to Electronic Funds Transfer (EFT) Authorization Form and follow the instructions.

You will only need to submit EFT signup one time. All plans that allow for EFT will be paid using EFT, otherwise you'll receive a paper check. Kern Health Systems does allow the EFT payment.

If you have any questions, please contact Kern Health Systems, 1-800-391-2000 or Argus Health Systems 1-800-522-7487.

Sincerely,

Bruce Wearda, R.Ph.
Corporate Pharmacist



Electronic Funds Transfer (EFT) Authorization Request

To establish payment via EFT, please complete this form, attach a voided check, and mail it to:

Argus Health Systems, Inc.
ATTN: Dept 20100, Fiduciary Accounting
1300 Washington Street
Kansas City, MO 64105-1433

Note: Please do not email or FAX this form to Argus.

Section 1 Pharmacy Information

† *Company Name:*

† *Independent Pharmacy NCPDP #:*

Primary Pharmacy Contact:

† <i>Name:</i>	† <i>Phone:</i>
<i>Email:</i>	† <i>FAX:</i>
<i>Dept:</i>	<i>Title:</i>

Secondary Pharmacy Contact:

<i>Name:</i>	<i>Phone:</i>
<i>Email:</i>	<i>FAX:</i>
<i>Dept:</i>	<i>Title:</i>

Section 2 Authorization

The undersigned representative of the above-named company hereby authorizes Argus Health Systems, Inc., to make electronic credit entries and any necessary adjustments involving these entries in the account identified below at the financial institution (the Bank) and authorizes the Bank to accept such entries and make any necessary adjustments. It is agreed that these entries will be made under the Rules of the National Automated Clearing House Association. This authorization will remain in effect until written notice of termination is delivered to Argus Health Systems, Inc., in a timely manner so as to afford Argus an opportunity to act thereon. In no event shall such termination be effective as to entries processed prior to receipt of such notice.

† *Company:*

† *Requester Signature:*

† *Date:*

† *Requester Printed Name:*

Requester Title:

Section 3 Disclaimer

Only checks written on Argus accounts on behalf of the health plan will be eligible for EFT.

Please initial upon reading this disclaimer statement:

.....
† (Initial)

† Required information

Section 4 Bank Information

Please attach a voided check to this form.

† Account Number:

† Federal Tax ID:

† Account Name:

† Bank Routing (ABA) #:

† Bank Name:

† Bank Address:

Primary Bank Contact:

† Name:	† Phone:
Email:	† FAX:
Dept:	Title:

Secondary Bank Contact:

Name:	Phone:
Email:	FAX:
Dept:	Title:

Section 5 This section to be completed by Argus

Begin Date:

Pharmacy Affiliate Date:

CONFIDENTIAL AND PROPRIETARY - DO NOT DISCLOSE.

Do not distribute to outside parties without written approval of an Argus Health Systems, Inc. officer.