

Brand Name and Generic Drugs

Claims for multi-source “Brand Name Products” that are not included in the PDL/NPDL process (i.e., drugs not listed on the Preferred Drug List on the static link), shall not be subject to prior authorization. Since the manufacturers of these brand name products have signed the federal rebate agreement, these drugs must have a potential payable status. In consideration of the mandatory generic substitution, LDH requires the MCOs/PBMs to allow dispense as written (DAW) codes “1”, “5”, “8”, and “9” for brand name processing. LDH expects these following codes to accommodate the filling of a brand name product without use of prior authorization:

- ❖ DAW “1”: Brand name medically necessary from prescriber.
- ❖ DAW “5”: Substitution allowed-brand drug dispensed as a generic (should be allowed when the brand drug is less expensive for 340B providers).
- ❖ DAW “8”: Substitution allowed, generic drug not available in marketplace.
- ❖ DAW “9”: Preferred brand over generic drugs.

~~Preferred brand over generic drugs should process with DAW 9. Brand name medically necessary from prescriber should process with a DAW 1. If the pharmacy is billing the brand because the generic is not on the market, then the claim should process with a DAW 8.~~ Denials of brand drugs (unless the brand is a preferred drug—in or out of the process) should deny with an error code stating “generic substitution required”, mapped to NCPDP 22 (M/I Dispense as written (DAW)/Product selection code).