

April 16, 2009

Montana Healthcare Programs Notice

Pharmacy Providers

Coordination of Benefits: Updated

Effective Immediately

Medicaid Approved Other Coverage Code Valid Values and Coordination of Benefits

The following valid values are authorized in accordance with their scope when providing coordination of benefits for Medicaid clients where a TPL edit has posted when filing Point of Sale Claim in NCPDP 5.1: Field 308-C8 (Other Coverage Code):

Other Coverage Code “2” — Other Coverage Exists — payment was collected. Pharmacies must submit in Field 431-DV (Other Payer Amount Paid) the entire reimbursement amount from the third party payor, not the client’s third party co-pay obligation. Medicaid payment supersedes a client’s third party co-pay obligation. Additionally, do not enter discount amounts from discount only programs.

- Montana Medicaid will then reimburse at the lesser of pricing methodology.

Other Coverage Code “3” — Other Coverage Exists — this claim is not covered.

- This determination is made after billing the third party.
- Service billed is outside of the client’s scope of coverage.
- Client may have exceeded their annual benefit limit.
- Claim not covered by primary insurance, i.e., Medicare Part D excluded drugs.

Other Coverage Code “4” — Other Coverage Exists — payment not collected.

- This determination is made after billing the third party.
- Used to communicate the following authorized reasons for non-payment:
 - Client front-end deductible or 100 percent of co-pay responsibility.
 - Client’s primary adjudicates claims by paper.
 - As authorized by the Medicaid Pharmacy Program Officer.

Other Coverage Code “6” — Other Coverage Denied — not a participating provider.

- This determination is made after billing the third party.

- Used to communicate instances where the primary insurer denies coverage because the dispensing provider is not a part of the network, or
- The prescribing provider is not part of the network.

Other Coverage Code “7” — Other Coverage Exists — not in effect at time of service.

- This determination is made after billing the third party.
- Used to communicate instances where the primary insurer denies coverage because the policy is no longer in effect on the date of service.
- Client has been discharged from a psychiatric residential treatment facility (PRTF), and
 - The client requires medication immediately following discharge but the discharge date has not been recorded in the eligibility system.
 - Please contact the PRTF or the below listed personnel to verify and authorize the fill.

According to State and Federal rules and regulations, Medicaid is the payer of last resort. Montana Medicaid, with the assistance of the provider community, coordinates benefits with other payers to ensure that Medicaid is the payer of last resort. As a result of this coordination effort, Montana Medicaid saves over \$120 million annually.

The Third Party Liability (TPL) provisions are outlined in Administrative Rules of Montana (ARM) 37.85.407, which states that Medicaid can not make payments to providers if there are other known third parties who have financial responsibility. This is accomplished by providers billing third parties prior to billing Medicaid. After billing the third party the provider can bill Medicaid, and Medicaid may pay up to the Medicaid allowed amount based on lower of pricing.

In addition to requiring providers to bill third parties prior to Medicaid, providers are also required to retain documentation of the billing and processing information (remittance advices) from these third parties. The processing information must fully support the billing to the third party and the subsequent billing to Medicaid. Providers are required to retain documentation of this billing in accordance with ARM 37.85.414. In the event the third party uses electronic transactions, it is the providers’ responsibility to convert any electronic transactions to a readable format, including retaining and documenting an audit trail to ensure the original electronic transaction supports the billing to Montana Medicaid.

If you know of third party information that is not known by Medicaid or have questions about TPL, please call (800) 624-3958 or (406) 442-1837; further information regarding coordination of benefits can be found in the General Information for Providers manual, the Prescription Drug Program manual and provider notices found on the Department’s website, www.mtmedicaid.org. Any questions regarding this notice, billing requirements and record keeping requirements can be directed to Wendy Blackwood at (406) 444-2738.

Contact Information

For claims questions or additional information, contact Provider Relations:

Provider Relations toll-free in- and out-of-state: 1-800-624-3958

Helena: (406) 442-1837

E-mail: MTPRHelpdesk@ACS-inc.com

Visit the Provider Information website:

<http://www.mtmedicaid.org>