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Newsletter

Volume 10 No. 79

October 2000

TO: Providers of Pharmaceutical Services

SUBJECT: Medicaid/PAAD Comparison of Medicare-Covered Drug Initiatives

EFFECTIVE: PAAD claims with service dates on or after September 1, 2000.
Medicaid claims with service dates on or after March 1, 2001.

PURPOSE: To provide providers of pharmaceutical services a side-by-side comparison of Medicaid and Pharmaceutical Assistance to the Aged and Disabled (PAAD) policy and procedures related to the Medicare-covered drug initiatives.

BACKGROUND: The Medicaid Newsletters Volume 10, No. 54, dated July 2000 and Volume 10, No. 65, dated September 2000, as well as the Senior Services Newsletters, Volume 4, No. 2, dated July 2000 and Volume 4, No. 3, dated August 2000, notified providers of pharmaceutical services of the Division's and DHSS' Medicare-covered drug initiatives.

Policies and procedures previously announced by Medicaid and PAAD concerning these initiatives have not changed. However, this Newsletter is intended to provide information in a format which may assist pharmacists in understanding each of these initiatives.

ACTION: Effective for PAAD claims with service dates on or after September 1, 2000, the policies and procedures outlined in the attached table shall apply.

Effective for Medicaid claims with service dates on or after March 1, 2001, the policies and procedures outlined in the attached table shall apply. The Medicare-covered drug initiative shall be implemented by DMAHS in conjunction with the Third Party Liability initiative described in the Medicaid Newsletters, Volume 10, No. 65, dated September 2000, and Volume 10, No. 54, dated July 2000.

If you have any questions concerning PAAD, please contact the PAAD Pharmacy Consultant at (609) 588-7640.

If you have any questions concerning Medicaid, please contact the Chief, Pharmaceutical Services, DMAHS, at (609) 588-2724.

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")**

Medicare-Covered Drug Requirements

Critical Elements	Medicaid	PAAD
Provider enrollment in Medicare required	No	Yes
Medicare provider enrollment grace period	No	Yes, if provider shows good faith effort to apply.
Eligible to continue dispensing Medicaid/PAAD prescriptions	Yes	No, if provider does not enroll in Medicare following grace period.
Medicare assignment: The requirement that a supplier accept the Medicare allowable as payment in full for services rendered.	Yes	No
Recoupment of Medicare payments to providers	No	Yes. Pharmacy initially receives POS payment. Medicare payments processed by DHSS will be subject to recoupment.
Claim can be processed through POS	No, if Medicare-covered drug	All PAAD-covered drugs may be processed through POS
Possible POS denial	For Medicare-covered drugs only	Only for drugs/supplies not covered by PAAD.
Medical supply claim	Pharmacy generates Medicare medical supply claim submitted to Medicare on HCFA1500 claim form.	No
Medicare/Medicaid crossover claim	Medicare paid claims automatically crossover to Medicaid. Claims denied by Medicare become Medicaid-only medical supply claims, which must be submitted by the provider to Medicaid.	No
Payments from beneficiary	Not permitted	\$5.00 co-payment
State payment	Up to Medicaid pharmacy fee	Up to PAAD pharmacy fee
Documentation Required	Must follow Medicare claim documentation requirements	Must follow Medicare claim documentation requirements