



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 11 No. 80

October 2001

TO: Providers of Pharmaceutical Services

SUBJECT: **Override of Edit 893 (TPL) for Non-Participating Pharmacy Providers**

EFFECTIVE: Immediately

PURPOSE: To notify providers of pharmaceutical services of billing procedures which allow Medicaid fee-for-service (FFS) and NJ FamilyCare FFS payments for point-of-sale (POS) pharmacy claims that are eligible for payment by another insurance plan when the pharmacy does not participate in the other insurer's provider network.

BACKGROUND: The Medicaid Newsletter Volume 11, No. 17, dated March 2001, notified providers of pharmaceutical services of a billing procedure that would allow Medicaid FFS and NJ FamilyCare FFS beneficiaries to be eligible for prescription coverage when a pharmacy service was provided by a pharmacy that did not participate in the provider network of another insurance plan. This procedure was originally scheduled for implementation on or about June 1, 2001.

This Newsletter is intended to notify providers of the State's decision to implement these procedures immediately. Under certain conditions, these procedures will avoid interruptions in pharmacy services by allowing a non-participating pharmacy to provide prescription services.

ACTION: **Effective immediately**, a prescription eligible for payment by another insurer that is being dispensed by a pharmacy that does not participate in the provider network of that insurer may be eligible for Medicaid FFS or NJ FamilyCare FFS payments when a participating pharmacy is located more than five (5) miles from the beneficiary's place of residence.

In these cases, the non-participating pharmacy must request prior authorization (PA) from First Health Services to provide a pharmacy service. First Health Services may be contacted at 1-877-888-2939.

The pharmacy must report a value of "5" in the first position of the "PA/MC Code and Number" field (NCPDP Field No. 416) followed by a "0" in the second position, then the PA number issued by First Health Services.

Pharmacies will recognize this field as their routine PA field for Medicaid FFS or NJ FamilyCare FFS pharmacy services. Pharmacies currently report a value of "1" in the first position of this field in addition to a value of "0" in the second position of this field to ensure proper reporting of the PA number in this field.

The Division of Medical Assistance and Health Services (DMAHS) will closely monitor the use of these procedures to ensure that these procedures are not used purposely to avoid the reporting of other insurance payments to the State.

If you have any questions concerning this Newsletter, please contact Unisys at 1-800-776-6334, or the Medicaid Chief of Pharmaceutical Services, at (609) 588-2724. To report changes in insurance coverage to the State, please contact the **Medical Assistance Hotline at 1-800-356-1561**.

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