



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

# NEWSLETTER

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**TO:** Providers of Pharmaceutical Services - **For Action**  
Health Maintenance Organizations - **For Information Only**

**SUBJECT:** **Enhanced Pharmacy Coordination of Benefits**

**EFFECTIVE:** **Immediately**, for claims with service dates on or after July 1, 2005

**PURPOSE:** To notify providers of pharmaceutical services that the New Jersey Division of Medical Assistance and Health Services (DMAHS) will bill other available insurance coverage for pharmacy services originally processed and paid for by the State using the commercial point-of-sale (POS) claims processing systems, also referred to as "POS Coordination of Benefits (COB)."

**BACKGROUND:** New Jersey's State Fiscal Year 2005 Appropriations Act requires providers of pharmaceutical services to allow DMAHS to bill other available insurance coverage on a pharmacy's behalf for claims originally processed and paid for through the State's POS system.

This procedure closely mirrors the method now used by the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program to process drug claims eligible for Medicare Part B coverage. The POS-COB process differs from the method used by PAAD in that the POS-COB process will use the POS systems of commercial pharmacy benefit managers (PBMs) to process claims eligible for other insurance coverage.

Similar to the PAAD method, the State will use any POS-COB payments to reduce the original payments made to a pharmacy by the State.

The rebill transactions to reduce payments will be reported in the pharmacy's Remittance Advice (RA) statement in either the same week or in the week following the POS-COB transaction.

**Medicaid reimbursement policy is not affected by the POS-COB process. Additionally, the POS-COB process will have no impact on the time necessary for Unisys to process pharmacy claims.**

**ACTION:** Effective for claims with service dates on or after July 1, 2005, all Medicaid pharmacy claims, when applicable, shall be subject to the POS-COB process.

Before June 30, 2005, all pharmacies shall register as participating providers in the POS-COB program. Pharmacies must contact Health Management Systems, Inc. (HMS), the State's Third Party Liability contractor, at **(877) 262-7375** to complete the provider registration process before June 30, 2005.

Pharmacies shall provide the following information to HMS:

- 1) Medicaid Provider Number;
- 2) Provider Service Address;
- 3) Contact Information, including email address; and
- 4) NCPDP (formerly NABP) provider identification number.

During the registration process, each provider will receive a User ID and Password to HMS's secure website <https://ecenter.hmsy.com> which providers can use to link the original State payment, the other insurance PBM payment and the rebill transaction applied by Medicaid to reduce the original claim payment.

**IMPORTANT NOTE:** Pharmacies shall continue their responsibilities for processing pharmacy claims through other insurance coverage when identified by the State's POS claims processing system. Also, pharmacies shall continue to provide diagnostic information to First Health Services through the prior authorization process to support PAAD processing of Medicare Part B drug claims.

If you have any questions concerning this Newsletter, do not hesitate to contact HMS at (877) 262-7375, or Unisys Provider Services at (800) 776-6334

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