
Senior Services News

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TO: Providers of Pharmaceutical Services - **For Action**
Physicians, Dentists, Podiatrists, Certified Nurse
Practitioners/Clinical Nurse Specialists, Optometrists, Independent
Clinics, and Health Maintenance Organizations - **For Information
Only**

SUBJECT: **Requirement for Pharmaceutical Assistance to the Aged and
Disabled Program (PAAD) Participating Pharmacy Providers to
Follow Medicare Guidelines on Medicare-Covered Drugs.**

EFFECTIVE: PAAD claims with service dates on or after **May 1, 2001**

PURPOSE: To notify providers of pharmaceutical services to Pharmaceutical Assistance to the Aged and Disabled (PAAD) beneficiaries concerning the Medicare Guidelines on Medicare-Covered Drugs payable by the PAAD program. This notice is required as PAAD will act as the pharmacy providers' billing agent for dually-eligible PAAD-Medicare claims pursuant to P.L.2000, c.53. It is the responsibility of the pharmacy to follow the Medicare guidelines for Medicare-covered drugs payable by PAAD, because PAAD will retroactively bill Medicare to recover some of the cost of these drugs.

BACKGROUND: Certain prescription drugs and diabetic supplies covered by PAAD are eligible for reimbursement by the Medicare program as medical supply services. Please refer to the Medicare Supplier Manual for a list of Medicare-covered drugs. These drugs include certain chemotherapeutic agents, immunosuppressive drugs, pneumococcal vaccines, influenza vaccines, hepatitis vaccines, bronchodilator drugs, oral anti-emetics associated with cancer chemotherapy, and diabetic supplies.

ACTION: Effective for claims with dates of service on or after May 1, 2001, the Department of Health and Senior Services will require all pharmacy providers to follow Medicare guidelines on Medicare-covered drugs as listed above. Please ask for a written prescription **with a diagnosis code** for all Medicare-covered drugs and also refer to the Medicare Supplier Manual for the dispensing guidelines. This manual can be requested by calling the DMERC supplier at 570-735-9445. It is also available on the Internet at www.umd.nycpic.com/suppman.html.

Because the POS system does not presently have the capability to capture the diagnosis code, PAAD may initially collect the diagnosis code from you by telephone for Medicare-covered claims. In the near future, Medicare-covered claims will post an edit

on the PAAD claims processing system to indicate that the pharmacist must call First Health Services at 877-888-2939 to report the diagnosis for retroactive Medicare claim processing. You may also be required occasionally to provide PAAD with a copy of selected orders containing the diagnosis code.

PAAD limits initial prescriptions to a 34-day supply. If the original order requests a greater quantity than allowed by the 34-day limit, you will need to request a revised order from the physician in order to comply with Medicare documentation requirements.

Please note that the May 1 deadline applies to the Medicare documentation requirements only. All eligible PAAD claims dated May 1 or later must comply with Medicare's documentation requirements.

In addition, the enclosed EDI Enrollment Form must be signed and mailed in the enclosed envelope **no later than May 15, 2001** to: PAAD, P.O. Box 715, Trenton, NJ 08625-0715, Attn: Beth Ann Strom. Please retain a copy for your records.

Special instructions for chain stores: An organization comprising of multiple components that have been assigned Medicare supplier numbers may elect to execute a single EDI Enrollment Form on behalf of the organizational components to which these numbers have been assigned. The corporate offices of chain stores have been sent a copy of this newsletter and the enrollment form; therefore, at the discretion of your corporate management, the individual pharmacy locations may not be required to complete and return this form.

A more detailed explanation of PAAD's Medicare claim processing procedures is forthcoming in a future correspondence. However, if you have questions at any time concerning these procedures, please call Beth Ann Strom at 609-588-7146.

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