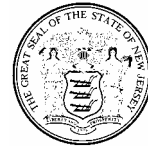


Senior Services News



A Newsletter
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May 2004

TO: Providers of Pharmaceutical Services - For Action

SUBJECT: The Medco Preferred Prescription Discount Card

EFFECTIVE: June 1, 2004.

PURPOSE: To notify pharmacy providers of the auto enrollment of **Pharmaceutical Assistance to the Aged and Disabled (PAAD)** beneficiaries in the Medicare Transitional Assistance (TA) Program administered by the **Medco Health Preferred Prescription Discount Card**.

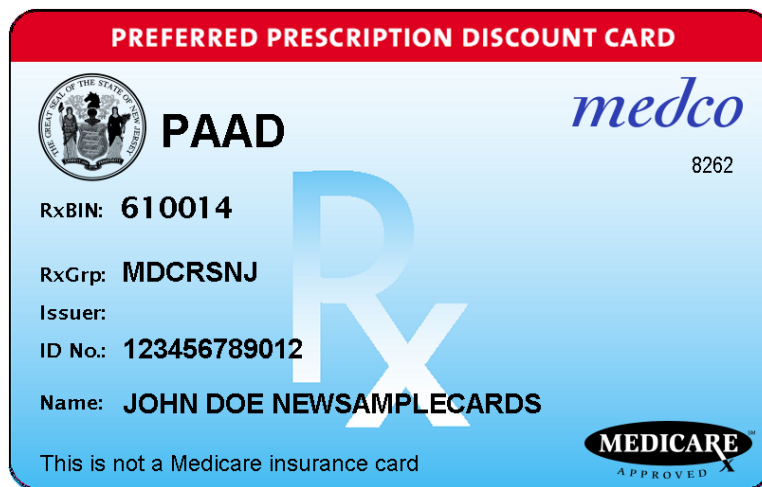
BACKGROUND: Effective June 1, 2004, the Medicare Discount Card Program will provide \$600 of Medicare Transitional Assistance (TA) in 2004 and up to an additional \$600 in 2005 to eligible Medicare beneficiaries. Medicare beneficiaries who have incomes below \$12,569 for single individuals or \$16,862 for married individuals may be TA eligible. When applying the \$600 credit toward prescription drug purchases, beneficiaries will have a 5 to 10% coinsurance, based on their income level. Additional information regarding Medicare TA can be obtained by calling 1-800-MEDICARE or via the Internet at www.Medicare.gov.

Approximately **81,000** PAAD beneficiaries are eligible to receive the transitional assistance subsidy and have been automatically enrolled in the Medco Preferred Prescription Discount Card. PAAD beneficiaries who have income too high to qualify for TA and all Senior Gold beneficiaries have been advised not to enroll in a Medicare Discount Card program.

ACTION: **For claims with service dates on or after June 1, 2004, pharmacists shall be required to submit claims eligible for Transitional Assistance Credit to the Medco Preferred Prescription Medicare Discount Card as primary payer prior to submitting POS claims to Unisys, the State's fiscal agent.**

1. For PAAD beneficiaries for whom the State has TA coverage information on file, coordination of prescription benefits will follow industry standards. POS claims will be denied unless payment is received from Medco or any other Medicare-approved pharmacy benefits manager (PBM). This payment is reported in the **NCPDP field** defined as **Other Payer Amount Paid**, (431-DV), in the Coordination of Benefits (COB)/Other Payments Segment of the NCPDP 5.1 format or an appropriate "**Other Coverage Code**" (#308-C8) value is reported. See the Pharmacy NCPDP-HIPAA Companion Guide at NJMMIS.com for more information.

2. PAAD beneficiaries who were automatically enrolled in **Medco** Preferred Prescriptions will receive an eligibility card from Medco in late May with both the PAAD State seal and the Medicare-endorsed logo. Information necessary to submit a claim to Medco Preferred Prescriptions will be listed on the card.
3. The State's POS response will identify Medco's Preferred Prescription Medicare Discount Card as the Plan Sponsor for auto-enrolled PAAD/TA beneficiaries. The claim will post Error Code 893 and in the response transaction field, Medco-PAAD-TA will appear. For submission to Medco's TelePAID® System, the Rx Bin number for Medco is 610014 and the group number will be MDCRSNJ. The person number is "01" and the identification number must be obtained from the beneficiary's new Medco ID card. For additional questions or support when submitting a claim, please contact Medco's Pharmacy Services Help Desk at **1-800-922-1557**. Please see attached copy of the sample Medco/PAAD Identification Card.



Members: CMS Approval: 04/09/2004

- This card must be presented at a participating pharmacy when purchasing prescription drugs.
- To locate a participating pharmacy, or for more information about your prescription benefit plan, please visit our website at www.medco.com or call Member Services at **1-888-437-5494**. TTY users should call **1-800-871-7138**.

Submit Claims to:
Medco Health
P.O. Box # 2029
Pine Brook, NJ 07058

Pharmacist:
Submit NJ PAAD COB
Claims to Unisys
1-800-776-6334

MEDICARE: 1-800-633-4227 • TTY users should call 1-877-486-2048

Pharmacists: Submit claims via the TelePAID® System only for the person for whom the prescription was written. Dispense preferred cobranded and generic drug products where applicable in accordance with prevailing pharmacy laws and regulations. For more information contact the Pharmacy Services Help Desk at 1 800 922-1557 or visit the Pharmacist Resource Center at www.medco.com/rph.

4. Claims reporting TA payments from Medco Preferred Prescriptions will be exempt from all State prior authorization (PA) requirements for pharmacy services, **with the exception of severe drug-drug interactions.**

5. Pharmacies are required to continue collecting the PAAD copayment of \$5.00, unless the drug cost or copayment amount required by the Medicare Discount Card is less than \$5.00.

Third Party Liability (TPL) Error Codes

The State has established TPL Error Codes to support the processing of TA payments on pharmacy claims. These Error Codes are described in the table below. These codes may be used to determine if the appropriate Other Coverage Code value is being reported on a pharmacy claim.

ERROR CODE	DESCRIPTION/PURPOSE
886	Recipient has no other insurance coverage on file. However, an Other Coverage code of "1" was inappropriately reported on the claim. The previous claim was not denied by Error Code 893.
892	No insurance coverage known to the State, but insurance payment received by provider.
893	Claim is denied because the State has other insurance coverage on file.
894	Pharmacist reported Other Coverage code of "1."
895	Payment reported/not reported based on the Other Coverage code value reported on the claim.
896	No insurance payment reported on claim, but pharmacist reported an Other Coverage code of "2."
885	Non-participating pharmacy providing service with PA.

Other Coverage Codes

Pharmacists are familiar with the reporting of certain override code values to process pharmacy claims. For example, an override value is often used to bypass early refill limits applied by pharmacy benefit managers.

Similarly, the NCPDP claim format used by pharmacists to process POS claims also provides a field for certain "Other Coverage Code" values. These "Other Coverage Code" values are listed in the table below.

Other Coverage Codes (#308-C8)
00 or 01 = Pharmacist unaware of insurance coverage
02 = Other coverage exists – payment collected, TPL payment reported on claim
03 = Other coverage exists – claim not covered; (drug product not covered by Medco)
06 = Other coverage denied – non participating provider with TA card sponsor
07 = Claim previously denied for Edit 893
08 = Claim is billing for copay; payment reflects 100% copayment

Important Note:

- If prescription coverage for a TA/PAAD beneficiary is provided by an insurance plan in which the pharmacy does not participate, then the non-participating pharmacy must request prior authorization (PA) from First Health Services. They may be contacted at 1-877-888-2939.
- The pharmacy must report a value of “5” in the first position of the (NCPDP 461-EU) followed by the PA number issued by First Health Services.

The Department of Health and Senior Services (DHSS) will closely monitor the reporting of other coverage values to ensure that these values are not used to avoid the reporting of Transitional Assistance payments on pharmacy claims.

Pharmacists are required to report “PAI” in the **Other Payer ID (#3Y0-7C)** code field for the payments received from Medco on a pharmacy claim. If this information is not provided, the claim will deny on POS with edit (431)“Other Payer ID Required.” See the Pharmacy NCPDP-HIPAA Companion Guide at NJMMIS.com for more information.

If you have any questions concerning this Newsletter, please contact the PAAD program toll free at 1-800-792-9745, or the PAAD Pharmacy Consultant at (609) 631-4887.

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