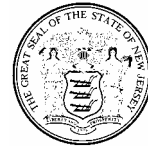


# Senior Services News



A Newsletter  
Published by the  
N. J. Department of Health & Senior  
Services  
Division of Senior Benefits and  
Utilization Management

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**Volume 8 No. 9**

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**TO: Providers of Pharmaceutical Services - For Action**

**SUBJECT: Additional Medicare Transitional Assistance (TA) Available in 2005**

**EFFECTIVE: January 1, 2005**

**PURPOSE: To notify pharmacy providers of an additional \$600 of Transitional Assistance (TA) from Medicare, starting January 1, 2005, for PAAD beneficiaries using the Medco Health Preferred Prescription Discount Card**

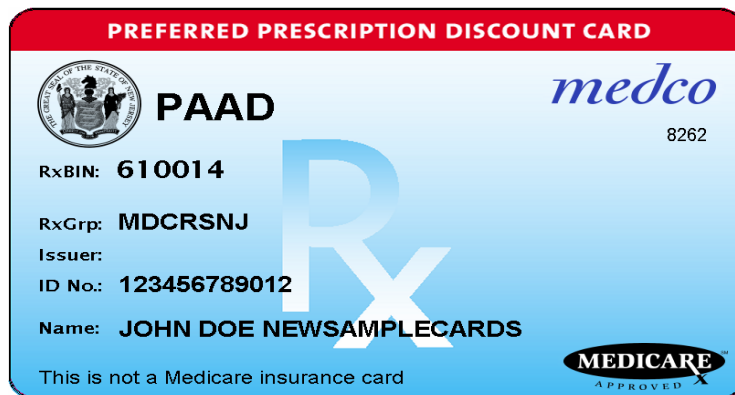
**ACTION:** Effective January 1, 2005, an additional \$600 of TA from Medicare will become available to PAAD beneficiaries using the Medco Preferred Prescription Discount Card. As of the new year, pharmacists should continue to submit claims for PAAD beneficiaries eligible for the TA credit to the Medco Preferred Prescription Discount Card as primary payer prior to submitting POS claims to Unisys, the State's fiscal agent. The claims processing system will be especially important to follow for PAAD beneficiaries who already have exhausted their \$600 TA credit for 2004. Such beneficiaries will have another \$600 credit from Medicare at the beginning of 2005 that should be used to pay for their prescriptions before PAAD pays for them.

**BACKGROUND:** Since June 1, 2004, the Medicare Discount Card Program has provided \$600 of Transitional Assistance for calendar year 2004 to Medicare beneficiaries who have incomes below \$12,569 for single individuals or \$16,862 for married individuals. Any amount of the \$600 that is not used by the beneficiary in 2004 may be carried over in most cases to 2005. An additional \$600 of TA from Medicare becomes available to these beneficiaries beginning January 1, 2005. When applying the TA credit toward prescription drug purchases, beneficiaries have a 5 to 10% coinsurance, based on their income level. The PAAD program will pay all costs not covered by the discount card over the \$5.00 co-pay. Information regarding Medicare TA can be obtained by calling 1-800-MEDICARE or via the Internet at [www.Medicare.gov](http://www.Medicare.gov).

Approximately 81,000 PAAD beneficiaries were identified as eligible to receive the TA subsidy and were automatically enrolled by the State of New Jersey in the Medco Preferred Prescription Discount Card. (PAAD beneficiaries who have income too high to qualify for TA and all Senior Gold beneficiaries were advised not to enroll in a Medicare Discount Card.)

## CLAIMS PROCESSING SYSTEM FOR PAAD BENEFICIARIES USING THE MEDCO HEALTH PREFERRED PRESCRIPTION DISCOUNT CARD

1. For PAAD beneficiaries in which 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 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 Preferred Prescriptions received an eligibility card from Medco with both the PAAD State seal and the Medicare-endorsed logo. Information necessary to submit a claim to Medco Preferred prescriptions is listed on the card.
  
3. The State’s POS response identifies Medco’s Preferred Prescription Medicare Discount Card as the Plan Sponsor for auto-enrolled PAAD/TA beneficiaries. The claim posts Error Code 893 and in the response transaction field, Medco-PAAD-TA appears. 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.



<b>Members:</b>	<b>CMS Approval: 04/09/2004</b>	
<ul style="list-style-type: none"> <li>• This card must be presented at a participating pharmacy when purchasing prescription drugs.</li> <li>• To locate a participating pharmacy, or for more information about your prescription benefit plan, please visit our website at <a href="http://www.medco.com">www.medco.com</a> or call Member Services at <b>1-888-437-5494</b>. TTY users should call <b>1-800-871-7138</b>.</li> </ul>		
<b>Submit Claims to:</b> <b>Medco Health</b> P.O. Box # 2029 Pine Brook, NJ 07058	<table border="1" style="margin: auto;"> <tr> <td style="padding: 5px;"> <b>Pharmacist:</b>                      Submit NJ PAAD COB                      Claims to Unisys                      1-800-776-6334                 </td> </tr> </table>	<b>Pharmacist:</b> Submit NJ PAAD COB Claims to Unisys 1-800-776-6334
<b>Pharmacist:</b> Submit NJ PAAD COB Claims to Unisys 1-800-776-6334		
<b>MEDICARE: 1-800-633-4227 • TTY users should call 1-877-486-2048</b>		
<b>Pharmacists:</b> 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 <a href="http://www.medco.com/rph">www.medco.com/rph</a> .		

4. Claims reporting TA payments from Preferred Prescriptions are exempt from all State prior authorization (PA) requirements for pharmacy services, **with the exception of severe drug-drug interactions.**
5. Following proper COB (Coordination Of Benefit) procedures, PAAD beneficiaries' co-pay should be \$5.00 or less in all instances. The exception to this rule is when drugs are not covered by PAAD.

### 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 "7" 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 "7."
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."
431	Missing Other Payor ID code (Correct Payor ID code for Medco is "PAI")
438	Payor ID qualifier must be "99"
439	Invalid Other Payor ID code (Correct Payor ID code for Medco is "PAI")

### 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.**

<b>Other Coverage Codes (#308-C8)</b>
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:**

**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")**