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Newsletter

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

SUBJECT: **Required Enrollment of Medicaid-Participating
Pharmacy Providers in the Medicare Program**

EFFECTIVE: For claims with service dates on or after July 1, 1999

PURPOSE: (1) To notify Medicaid, NJ KidCare fee-for-service (FFS) and Pharmaceutical Assistance to the Aged and Disabled (PAAD) program participating providers of pharmaceutical services, of the requirement that they must become approved Medicare providers of medical supply services in order to bill Medicare directly for Medicare-covered drugs and diabetic materials prior to submitting claims to the Medicaid or NJ KidCare FFS programs or PAAD.

(2) To notify these same providers that they must also be enrolled as approved medical suppliers in the Medicaid and NJ KidCare FFS programs in order for payments of deductibles and coinsurance for dually-eligible beneficiaries to be considered by the State.

BACKGROUND: Certain prescription drugs and diabetic materials covered by the Medicaid and NJ KidCare FFS programs and PAAD are eligible for reimbursement by the Medicare program as medical supply services. When these services are provided to Medicaid or NJ KidCare FFS or PAAD beneficiaries, the programs will pay the deductibles and coinsurance amounts up to the program fee allowance for these claims.

These drugs include certain oral/injectable chemotherapy drugs, immunosuppressant drugs, anti-neoplastic drugs, epoetin alfa (EPO) injections, pneumococcal pneumonia vaccines, influenza vaccines, hepatitis B vaccines, bronchodilator drugs, oral anti-emetics associated with cancer chemotherapy and diabetic materials.

For Medicaid or NJ KidCare FFS programs, claim payments for Medicare-covered drugs will be processed as medical supply 'crossover' claims. For the PAAD program, a 20 percent claim payment will be provided up-front through POS for Medicare-covered drugs. Additional information concerning payment and billing procedures for these claims will be provided in a subsequent Newsletter.

In order to limit Program payments for Medicare-covered drugs, providers of pharmaceutical services must be able to submit these claims directly to Medicare for initial payment consideration. Therefore, the Division of Medical Assistance and Health Services (DMAHS) and the Department of Health and Senior Services (DHSS) are requiring that all Program participating providers of pharmaceutical services become approved as Medicare providers of medical supply services.

ACTION: (1) Effective for claims with services dates on or after **July 1, 1999**, the DMAHS and the DHSS are requiring that all participating providers of pharmaceutical services also become approved Medicare providers of medical supply services.

Claims with service dates on or after **July 1, 1999**, submitted by a provider of pharmaceutical services that is not approved as a Medicare provider of medical supply services, or that has not shown a good faith effort to apply to become a Medicare provider, may be denied continued participation in the Medicaid, NJ KidCare or PAAD programs.

In order for DMAHS and DHSS to properly identify those pharmacies that are approved Medicare providers of medical supply services, pharmacies participating in the Medicaid, NJ KidCare or PAAD programs must validate their enrollment in the Medicare program as approved providers of medical supply services **by no later than July 1, 1999**.

The following information **must** be submitted to DMAHS to validate the enrollment of a pharmacy in the Medicare program as an approved Medicare provider of medical supply services:

- An approval letter from the National Supplier Clearinghouse (NSC), P.O. Box 100142, Columbia, South Carolina 29202-3142. The NSC may be contacted at (803) 754-3951 from 8:00 AM to 8:00 PM Eastern Standard Time, Monday through Friday. According to the NSC, approximately 8-10 weeks are required for a Medicare provider application to be processed. **The Medicaid and NJ KidCare pharmacy provider number associated with the approved Medicare medical supplier must be documented on the approval letter.**

Or

- A recent copy of an original HCFA 1500 claim form imprinted with the Medicare medical supplier identification number for the pharmacy associated medical supplier and its service location. **The Medicaid and NJ KidCare pharmacy provider number associated with the approved Medicare medical supplier must be documented on the original HCFA 1500 claim form.**

In order to enroll, the NSC will require the following information:

- 1) Your federal tax identification number (or employer identification number, if required); and
- 2) The name and address of the pharmacy associated medical supplier.

An application fee is not required to request enrollment as a medical supplier in the Medicare program.

Note: If your pharmacy has submitted an application to become a Medicare provider, but your pharmacy has not yet received an approval letter from NSC, please submit a copy of your completed application to the Provider Enrollment Unit to insure that you may continue to participate in Medicaid, PAAD and/or NJ KidCare FFS programs.

Please submit the HCFA 1500, the approval letter or the copy of the completed application to the:

Provider Enrollment Unit
Division of Medical Assistance and Health Services
Mail Code # 9
P.O. Box 712
Trenton, New Jersey 08625-0712

(2) Providers of pharmaceutical services approved as Medicare providers of medical supply services must also be approved as medical suppliers in the Medicaid and NJ KidCare FFS programs in order for payments of deductibles and coinsurance for dually-eligible beneficiaries to be considered by the State. Providers of pharmaceutical services not currently enrolled in Medicaid and NJ KidCare FFS programs as a medical supplier must contact the Unisys Provider Enrollment Unit at 1-800-776-6334 to request a Medicaid/NJ KidCare FFS medical supplier enrollment application package for completion and approval by Unisys.

If you have any questions regarding PAAD, please contact the Pharmacist Consultant at PAAD, DHSS, at (609) 588-7032.

If you have any other questions concerning this Newsletter, please contact the Provider Enrollment Unit, DMAHS, at (609) 588-2905.

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