

Bulletin Number: MSA 08-05

Distribution: Pharmacy

Issued: February 1, 2008

Subject: Changes to Pharmacy Claim Submission Requirements

Effective: As Indicated

Programs Affected: Medicaid, Maternity Outpatient Medical Services (MOMS), Adult Benefits Waiver, Children's Special Health Care Services, and Plan First!

The purpose of this bulletin is to inform pharmacy providers of the changes in pharmacy claim submission requirements.

The Michigan Department of Community Health (MDCH) is initiating changes to pharmacy claim submission requirements to assist in the coordination of benefits with other insurers, comply with recently passed federal laws, and to more precisely calculate rebates for outpatient drugs.

Timely Filing Limit

Effective April 1, 2008, the MDCH timely filing limit for all (originals, reversals and adjustments) Fee-for-Service (FFS) and point of sale carve-out drug claims will be expanded from 180 days to 365 days from the date of service. Claims exceeding the new timely filing limit will be denied.

Prescription Types

Effective April 1, 2008, the MDCH Pharmacy Benefits Manager (PBM) will require providers to report the type of prescription presented at the pharmacy. This change is in compliance with the impending federally mandated tamper resistant prescription pad policy. The National Council for Prescription Drug Programs (NCPDP) Prescription Origin Code (NCPDP Field 419-DJ) identifies the type of prescription that was presented at the pharmacy. Pharmacy providers must report one of the following NCPDP values for the Prescription Origin Code:

- 1 = Written
- 2 = Telephone
- 3 = Electronic
- 4 = Facsimile

A denial will occur if one of the above values is not reported on the claim.

Unit of Measure

Effective May 1, 2008, the MDCH PBM will require the submission of the Unit of Measure (NCPDP Field 600-28) for all pharmacy FFS and health plan batch claims. The Unit of Measure of a drug product submitted on the claim must match the Drug Form reported by First Databank. This requirement will prevent the improper reporting of billing units for drug products that have a non-traditional dosing format (e.g., pre-filled syringes, injectables, inhalers) and assist the MDCH to more precisely calculate rebates.

The Unit of Measure qualifiers are:

- EA represents each
- GM represents gram
- ML represents milliliter

All claims submitted without a valid unit of measure qualifier will be denied with one of the following edits:

NCPDP 26 - Missing/Invalid Unit of Measure, if the Unit of Measure is not submitted.

NCPDP PZ - Non-Matched Unit of Measure to Product/Service ID, if the Unit of Measure does not match the Drug Form reported by First DataBank.

Refer to the appropriate NCPDP document(s) (available at www.ncpdp.org) for further information.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Paul Reinhart, Director
Medical Services Administration