

**Bulletin:** MSA 05-24

**Distribution:** Pharmacy

**Issued:** May 1, 2005

**Subject:** Change to Coordination of Benefits Edit Exception (Section 13.10B) in Pharmacy Chapter

**Effective:** June 1, 2005

**Programs Affected:** Medicaid and Children's Special Health Care Services

In compliance with policy which requires Medicaid to be the payer of last resort, effective June 1, 2005, Michigan Department of Community Health (MDCH) will no longer allow a pharmacy to override the coordination of benefits (COB) edit for a beneficiary whose other insurance carrier has mail order pharmacy coverage. The Other Coverage Codes 3 and 4 will be disallowed for use by a pharmacy for a beneficiary who has a mail order pharmacy benefit. Effective on and after this date, a beneficiary must use the highest level of benefits available under his/her policy. Medicaid is not liable for payment of services denied because the coverage rules of the mail order pharmacy plan were not followed.

MDCH will coordinate benefits with the mail order pharmacy by paying the beneficiary's co-payment through 4D Pharmacy Management Systems, Inc. The beneficiary will place an order for the prescribed medication(s) with the mail order pharmacy, and 4D Pharmacy Management Systems, Inc. will pay the beneficiary's co-payment. The excluded drug categories for Medicaid and Children's Special Health Care Services still apply. Claim(s) for co-payment(s) on medication(s) covered by the mail order pharmacy, but require prior authorization (PA) by MDCH, will be reimbursed without the mail order pharmacy having obtained PA from MDCH as long as the pharmacy is only billing for the co-payment(s).

#### **Billing of Maintenance Medication(s)**

The mail order pharmacy will bill the beneficiary's co-payment to 4D Pharmacy Management Systems, Inc. via point of sale (POS) using the NCPDP v 5.1 transactions. For further information, contact 4D Pharmacy Management Systems, Inc. at (888) 274-2031, at [www.4Dpharmacy.com](http://www.4Dpharmacy.com), or by mail at 4D Pharmacy Management Systems, Inc., 3766 West Twelve Mile Road, #224, Berkley, Michigan 48072.

#### **Billing Non-Maintenance Medication(s)**

A local pharmacy can bill using the NCPDP v 5.1 transactions for the beneficiary's co-payment(s) of a non-maintenance medication(s) by submitting the following information:

- Other Coverage Code = '8' (Claim Segment, field 308-C8)
- Other Payer Coverage Type = '01' (COB Segment, field 338-5C)
- Other Payer ID Qualifier = '99' (COB Segment, field 339-6C)
- Other Payer ID (COB Segment, field 340-7C)
- Other Payer Paid Date (COB Segment, field 443-E8)

- Other Payer Amount Paid Count (COB Segment, field 341-HB)
- Other Payer Amount Paid Qualifier = '99' (COB Segment, field 342-HC)
- Other Payer Amount Paid (COB Segment, field 431-DV)

Claims submitted incorrectly will reject for payment.

As noted above, the exclusions of specific drug categories still apply. Please refer to the Medicaid Provider Manual for coverage and limitations.

### **Manual Maintenance**

This bulletin should be retained until the information is incorporated into the Michigan Medicaid Provider Manual.

### **Questions**

Any questions regarding this bulletin should be directed to Provider Inquiry, Michigan Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto: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 telephone toll-free 1-800-292-2550.

### **Approved**



Paul Reinhart, Director  
Medical Services Administration