

Reimbursement Billing Workshop Pharmacy

Colorado Medicaid
2013

January 2013



Training Objectives

Familiarization with Department Web site

Billing Pre-Requisites

- National Provider Identifier (NPI)
 - What it is & how to obtain one
- Eligibility
 - How to verify
 - Know the different types

Billing Basics

- How to ensure your claims are timely
- How to bill when other payers are involved
- Prior Authorization Requests procedure
- 2013 Pharmacy claim reimbursement process



Centers for Medicare & Medicaid Services

Department of Health Care Policy and Financing



Medicaid

Medicaid/CHP+ Medical Providers



Xerox State Healthcare



What is an NPI?

National Provider Identifier

- Unique 10-digit identification number issued to U.S. health care providers by CMS
- **All** HIPAA covered health care providers/organizations must use NPI in **all** billing transactions
- Are permanent once assigned
 - Regardless of job/location changes

Use your NPI

NPI and electronic claim submissions:

- Pharmacies must include both their NPI and the prescriber's NPI on all claims



Department Web Site

Internet Explorer provided by Health Care Policy and Financing

www.colorado.gov/cs/Satellite/HCPF/HCPF/1197364086675

Select Language | Search

The Department of Health Care Policy and Financing

Clients & Applicants | Providers | Partners & Researchers | Boards & Committees | About Us | Secured Site | MA/PE Portal

Improving health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.

The Department administers the Medicaid and Child Health Plan Plus programs as well as a variety of other programs for Colorado's low-income families, the elderly and persons with disabilities.

Quick Links

- Application Assistance Site
- Budget
- Contact Us
- County List
- Health Care Reform
- Healthy Living
- HIPAA Privacy Forms
- Programs and Benefits
- Program Rules and Regulations
- Strategic Plan
- Training Events
- What's New

Eligibility | **Applications** | **Benefits**

Find a Provider | **Provider Services** | **Initiatives**

Communication

- At a Glance
- Press Releases
- Public Notices
- School Health Services
- Newsletters
- CICP Provider Newsletters
- Provider Bulletins
- Reports

Nurse Advice Line

Feeling sick? For medical advice, call the NURSE ADVICE LINE at 800-283-3221.

1.

www.colorado.gov/hcpf

2.

Provider Services

Provider Services Home Page

The screenshot shows the 'Provider Services' page. The navigation menu on the left is highlighted with an orange box. The main content area includes a welcome message, instructions to check the Provider Services sections, and information about becoming a Colorado Medicaid Provider. A table for the 'Holiday Payment Processing Schedule' is partially visible at the bottom.

Holiday	Date of Holiday
---------	-----------------

Find what you need here

Contains **important information** regarding **Colorado Medicaid** & other topics of interest to **providers & billing professionals**

Pharmacy Home Page

Payment Error Rate Measurement (PERM)	in the federal rebate program.
Pharmacy	Colorado Medicaid Cost of Dispe
Billing Procedures and Forms	Preferred Drug List Updates: Generic equivalents for Concerta product
Durable Medical Equipment (DME)	The Colorado Department of Health Services Consulting (Mercer), a part survey and an acquisition cost survey to understand and approximate both to Colorado Medicaid recipients.
Drug Utilization Review (DUR) Board	The Department of Health Care Policy Colorado pharmacies that dispense p
Dual Eligible Population	To access information regarding the s If you have any questions, please con 1-866-447-9021
Mail Order Prescriptions	Mercer Presentation
Pharmacy and Therapeutics (P&T) Committee	To execute a Non Disclosure Agree Acquisition Cost Survey, please use Shawna.Kittridge@mercer.com or C
Preferred Drug List (PDL)	Client Confidentiality Agreement Stat Client Confidentiality Agreement Stat
Prior Authorization Policies	EFFECTIVE APRIL 1, 2010:
Rx Review Program	
State Maximum Allowable Cost (State MAC)	
Tamper-Resistant Prescription Pads/Paper	
Tobacco Cessation Assistance	
Training	
Primary Care Fund	

Find what you need here too

Billing Procedures, DUR Board, PDL

Verifying Eligibility

- Always print & save copy of eligibility verifications
- Keep eligibility information in client's file for auditing purposes
- Ways to verify eligibility:



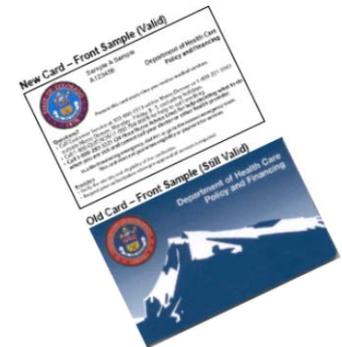
Web Portal



Fax Back
1-800-493-0920



CMERS/AVRS
1-800-237-0044
1-800-237-0757



Medicaid ID Card
with Switch
Vendor

OAP-State Only

- There was a lower reimbursement rate on drugs until January 31, 2013
- Pharmacies can refuse to service OAP-State Only Clients
- See the Department's Web site for current reimbursement for OAP-State Clients

Medicare-Medicaid Enrollees

- Eligible for both Medicare & Medicaid
- Formerly known as “Dual Eligible’s”
- Medicaid is always **payer of last resort**
 - Bill Medicare **first** for Medicare-Medicaid Enrollee clients
- Retain proof of:
 - **Submission to Medicare prior to** Colorado Medical Assistance Program
 - Medicare denial(s) for **six years**

Medicare Part D

- As of January 1, 2006, Medicaid only pays for the ‘excluded drugs’ for clients who also qualify for Medicare
 - A list of the excluded drugs is available on the Department’s Web site in the Pharmacy section, under Medicare - Medicaid Enrollee Population.
- Pharmacies must bill the Medicare Part D plan for the excluded drugs other D.0 identifiers before
 1. Submitting claims to Medicaid
 2. Use other insurance indicator of “3” on the claim and appropriate
- Details about the Medicare benefit and drugs that are covered by the Colorado Medical Assistance Program are available in the December 2005, July 2008, and December 2012 Provider Bulletins (B0500202, B0800250, and B1200331) located in the Provider Services, Provider Bulletin section



Co-Payment Exempt Clients



**Nursing Facility
Residents**



Children



**Pregnant
Women**

January 2013

Image courtesy of FreeDigitalPhotos.net & David Castillo

Co-Payment Facts

- Auto-deducted during claims processing
 - Do not deduct from charges billed on claim
- Collect from client at time of service
- Use appropriate values to indicate that client is co-pay exempt
 - Pregnancy- Prior Authorization Type Code 4 (for all prescriptions)
- Co-pay Amounts
 - Generic: \$1.00
 - Brand: \$3.00
 - IHS Pharmacies: \$0.00



Paper Billing

- The Colorado Pharmacy Claim Form (PCF-2) replaced the Pharmacy Claim Form (PCF-1) and the Universal Claim Form (UCF)
 - The PCF-2 is available at no charge on the Department's Web site in the [Pharmacy Billing Procedures and Forms](#) section
- Pharmacies may bill on paper if:
 - The pharmacy bills less than five (5) claims per month (requires prior approval)
 - The claim is a Reconsideration claim
 - The claim requires an attachment
 - Claim is outside of timely filing



Colorado Pharmacy Claim Form (PCF-2)

Colorado Medical Assistance Program
Colorado Pharmacy Claim Form (PCF-2)

I. Client Information		
Client's Medicaid ID Number: _____	Group ID: <u>Colorado</u>	Colorado Relationship Code: <u>1</u>
Client's Name (Last/First/Middle Initial): _____		
Client's Street Address: _____	Client's City: _____	Client's Zip Code: _____
Other Coverage Code: _____ Client's DOB MM/DD/YYYY: ____/____/____		

II. Pharmacy Information	
Service Provider ID: _____	Service Provider ID Qualifier: _____

III. Prescriber Information	
Prescriber's Last Name: _____	Prescriber's Phone Number: _____
Prescriber's ID: _____	Prescriber's ID Qualifier: _____

IV. Claim Information (Claim must be for the same client as listed above)		
Prescription Number: _____	Fill Number: _____	Days Supply: _____
Date Written: ____/____/____	Date Filled: ____/____/____	Prescription # Qualifier: _____
DAW Code: _____	PA Type Code: _____	Quantity Prescribed: _____
Product ID: _____	Product ID Qualifier: _____	Quantity Dispensed: _____
Submitted Ingredient Cost: _____	Total Charge: _____	Gross Amount Due: _____

V. Other Payer Information		
Other Payer Coverage Type: _____	Other Payer Date: ____/____/____	
Other Payer Amount Paid: _____	Other Payer Amount Paid Qualifier: _____	
Other Payer Reject Code: _____	Other Payer Patient Responsibility Amount: _____	
Other Payer Patient Responsibility Amount Qualifier: _____		
Compound Claim: _____	Diagnosis Code Qualifier: ____	Diagnosis Code: _____
RX Override: _____	RX Override: _____	RX Override: _____

VI. Complete this Section for Compound Prescriptions Only Limit 1 Compound Prescription Per Claim Form			
Ingredient Name	NDC	Quantity	Ingredient Cost
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Signature: _____ Date: ____/____/____

This is to certify that the foregoing information is true, accurate, and complete. This is to certify that I understand that payment of this claim will be from Federal and State funds and that any falsification or concealment of material fact may be prosecuted under Federal and State laws.

This form should be printed, completed by hand, or typed and mailed to ACS:
Please mailed completed form(s) to:
Paper Claims Submissions, P.O. Box 30, Denver, CO 80201-0030



Refills/Splitting

Prescriptions for other than maintenance medications

- Dispense 30-day Supply or 100 tablets, whichever is less
- If prescription is less than 30-day supply, dispense amount prescribed.

Prior Authorization Requests

Prior Authorization Requests processed by Department's Fiscal Agent available 24 hours a day, 7 days a week



Toll-Free: 1.800.365.4944
Fax: 1.888.772.9696



Prior Authorization Requests

- Prescribing physicians request Prior Authorizations
- Pended PAs are denied if no response within 24 hrs
- PAs must contain the following information:
 - Client Name, Client ID, DOB, Diagnosis, Prognosis, other drugs currently prescribed, name of drug requested, requesting physician's name and address

Three-Day Emergency Supply

- An emergency situation is any condition that is life threatening
 - Covered Outpatient Prescription Drugs
 - Physician must request a Prior Authorization the next business day
- Undocumented Non-citizens are not eligible for 72-hour emergency supply
- Request Prior Authorization from Xerox
 - 24/7 PA line 1.800.365.4944
- See the January 2012 (B1200310) for more details

Timely Filing

- **120 days** from Date of Service (DOS)
- Determined by date of receipt, not postmark
- PARs are not proof of timely filing
- Certified mail is not proof of timely filing
- Example – **DOS January 1, 20XX:**
 - Julian Date: 1
 - Add: 120
 - Julian Date = 121
 - Timely Filing = Day 121 (May 1st)

Timely Filing Extensions

Extensions may be allowed when:

1. Commercial insurance has yet to pay/deny
2. Delayed client eligibility notification
 - Delayed Eligibility Notification Form
3. Backdated eligibility
 - Load letter from county

Documentation for Timely Filing

- 60 days from date on:
- Provider Claim Report (PCR) Denial
- Rejected or Returned Claim
- Keep supporting documentation



Reimbursement

Pharmacy Pricing

- Pricing Methodology applies to Brand, Brand with Generic available and Generic Drugs
- Does not apply to DME/Supplies billed via the 837P

Dispensing Fees until January 31, 2013

- Retail - \$4.00
- Institutional - \$1.89
- Governmental - \$0.00

Reimbursement

D.0 Pharmacy Pricing From October 1, 2011 through January 31, 2013

- SMAC Rate or Submitted Rates whichever is less
- If no SMAC price is available for the drug, (adjusted) WAC or Submitted Charges, whichever is less, will apply
- The reimbursement methodology and the most current SMAC rates are posted on the Department's Web site (colorado.gov/hcpf) on a weekly basis



Reimbursement Calculation Effective February 1, 2013

Effective February 1, 2013, the Department moved to its new pharmacy reimbursement methodology

- Methodology utilizes data from surveys of Colorado pharmacies to determine:
 - Professional Dispensing Fees
 - Average Acquisition Costs (AACs) for drugs dispensed to Colorado Medicaid clients

Dispensing Fee Determination

In late 2012 total prescription volume surveys were sent out by the Department to all participating Colorado Medicaid pharmacies

- The surveys are used to establish the professional dispensing fee for each pharmacy provider
- All pharmacies failing to respond to the survey are reimbursed \$9.31 for a professional dispensing fee under the new methodology
 - Effective February 1, 2013

January 2013, the Department mailed pharmacy providers who did respond, their proposed dispensing fee based upon the information provided

- More details are available on the [Pharmacy](#) Web page and the January 2013 Provider Bulletin (B1300332)

Dispensing Fee Determination

The professional dispensing fees are tiered based upon the pharmacy's total prescription volume. Pharmacies with a volume:

Number of Prescriptions	Professional Dispensing Fee
Less than 60,000	\$ 13.40
60,000 and 89,999	\$ 11.49
90,000 and 109,999	\$ 10.25
More than 110,000	\$ 9.31
State determined Rural	\$ 14.14
Governmental	\$ 0.00



Reimbursement Pharmacy Pricing Beginning February 1, 2013

- AAC (Average Acquisition Cost) Rate or Submitted Rates whichever is less
- If no AAC price is available for the drug, WAC or Submitted Charges, whichever is less, will apply
- For Rural Pharmacies Submitted Rates will not apply and an adjustment for AAC and WAC Rates may be applied



AAC Rates

AAC rates shall be rebased monthly using invoices and/or purchase records provided to the Department through a representative group of Colorado Pharmacies

- If the Department cannot establish a process to obtain invoices and/or purchase records on a monthly basis, the Department shall survey $\frac{1}{4}$ of the Medicaid enrolled pharmacies every quarter to rebase AAC rates

AAC Rates

- A pharmacy wanting to inquire about a current AAC rate shall complete the Average Acquisition Cost Inquiry Worksheet posted on the Department's Web site (colorado.gov/hcpf)
- Pharmacy will email completed worksheet
 - Include: Copy of the receipt invoice and
 - Medicaid billed claim for the drug in question
 - Send to Colorado.SMAC@hcpf.state.co.us for Department review



New Pharmacies

- After enrolled in the Colorado Medical Assistance Program
 - Must have: Colorado Medicaid Provider ID
 - Then: Bill pharmacy claims via POS System to Colorado Medicaid
 - Use: NCPDP D.0 Format
- Professional Dispensing Fee
 - Based on pharmacy's total prescription volume that is assigned
 - Part of enrollment process
- If billing is done before the Dispensing Fee is assigned; then claims will deny
 - NCPDP Reject 85- Claim Not Processed
 - Messaging will provide information including:
 - Email address: Colorado.SMAC@hcpf.state.co.us
 - Phone number 303-866-3162
 - The pharmacy's management team can follow-up on their dispensing fee and status

Pharmacy Attestation Form

- Soon, newly enrolling pharmacy will need to submit:
 - Complete enrollment packet
 - Send to the address on the packet
 - Pharmacy Attestation Form
 - Include the total prescription volume of the pharmacy for the last year
 - Email to: Colorado.SMAC@hcpf.state.co.us
- Refer to future Provider Bulletins and the Department's Web site (colorado.gov/hcpf) for information on when this will be required

New Pharmacies AAC Rate

- New pharmacies once completely enrolled and a professional dispensing fee assigned will be paid
 - AAC (Average Acquisition Cost) Rate or Submitted Rates whichever is less
- If no AAC price is available for the drug, WAC or Submitted Charges, whichever is less, will apply
 - New Rural Pharmacies Submitted Rates will not apply and an adjustment for AAC and WAC Rates may be applied



Claim Submission Changes an Summary

- No claim submission changes required as of February 1, 2013
 - During/after the conversion from SMAC to AAC Rates
- Pharmacy Point of Sale Claims should continue to be submitted in the NCPDP D.0 Format following the Payer Sheet
 - In the Pharmacy Billing Manual
- No changes to the Prior Authorization process with the reimbursement changes

Fiscal Agent **Pharmacy** Services

Call 1-800-365-4944



- Electronic (POS) Claim Submission
- Drug PAs (including Synagis®)
- Drug coverage
- Preferred Drug List (PDL)
- Mail Order Program

Fiscal Agent **Provider** Services

Call 1-800-237-0044



- Claims/Billing/
Payment
- Forms/Web Site
- EDI
- Enrolling new
providers
- Changing existing
provider number

Thank You!

