



PROVIDER BULLETIN

BT 200428

NOVEMBER 12, 2004

To: All Pharmacy Providers

Subject: Third Party Liability and Pharmacy Claims

Note: The information in this document is not directed to those providers rendering services in the risk-based managed care (RBMC) delivery system.

Overview

The purpose of this bulletin is to review the existing third party liability (TPL) codes available within National Council for Prescription Drug Programs (NCPDP) version 5.1 and used by the Indiana Health Coverage Programs (IHCP). Additionally, this bulletin announces a change to the functionality of TPL override code 8 and the application of Preferred Drug List (PDL) edits.

The IHCP began editing pharmacy claims for TPL cost avoidance compliance on March 23, 2003. The TPL edits are intended to ensure that the IHCP is always the payer of last resort.

TPL Override Code 8 – Billing for TPL Copay

TPL override code 8 is used in situations where the pharmacy is billing the IHCP for a fixed copayment required by another insurer.

Effective December 30, 2004, claims filed for TPL copay only, must include the following information, in addition to all other required claim information :

Claim Segment:

308-C8 Other Coverage Code, Value = 8 Claim is for a copay

Pricing Segment:

478-H7 Other Amount Claimed Submitted Count , Value = 1

479-H9 Other Amount Claims Submitted , Value = 99 Other

480-H9 Other Amount Claimed Submitted , Value = The copay amount due

430-DU Gross Amount Due , Value = The copay amount due

Note: The value in field 480-H9 and 430-DU must be the same value.

Additionally, all claims billed to the IHCP with a TPL code of 8 must have the actual number of units dispensed in the *Quantity Dispensed* field on the claim (NCPDP field number 442-E7).

The IHCP will reimburse the **lesser of the following**:

- The actual copay amount as indicated in field number 480-H9 and 430-DU.
- The allowed charge for the drug, in its entirety, if Medicaid were the sole payer.

For instance, if a patient's primary insurance paid for all of 30 tablets of Lescol with the exception of a \$10 copay, for claim submission purposes the pharmacist should put "30" in the *Quantity Dispensed* field, \$10 should be in the *Gross Amount Due* (430-DU) field and the *Other Amount Claimed Submitted* (480-H9) field and a TPL code of 8 should be in the *COB* field. The pharmacy must ensure that all of this information is in the proper location for the claim to process properly.

Note: This is a change from previous billing instructions in which copays were billed in units of one with a maximum reimbursement amount of \$20 per unit.

Override of PDL edits on TPL 2 and 8 claims

Effective December 30, 2004, claims submitted with TPL override codes 2 and 8 will no longer be subjected to PDL edits. Until December 30, 2004, providers may request prior authorization (PA) to override the PDL edits. PA may be requested via fax. The fax request form is available at www.indianapbm.com Providers who have questions about this process should contact the ACS Help Desk at 1-866-645-8344.

If providers prefer to submit these claims via point-of-sale (POS) without requesting PA, they must wait until December 30, 2004. At that time, the edit for timely filing will not apply to claims using TPL override codes 2 and 8. The edit will be turned off for these claims from December 30, 2004, to January 31, 2005. After that time, the requirements for timely filing will apply to claims submitted with TPL override codes 2 and 8 and will only be overridden via currently established policy.

Updated Payer Sheet

An updated version of the *IHCP Payer Sheet* is now available under the forms tab at www.indianapbm.com Questions about the payer sheet can be directed to the ACS Help Desk.

Additional TPL Override Codes for Pharmacy

- *TPL override code 2 – Other payment exists-payment collected.* This code should be used when other insurance exists and payment is collected. The other payer amount collected (NCPDP field 431-DV) and other payer date (NCPDP field 443-E8) fields must be populated.
- *TPL override code 3 – Other coverage exists-this claim not covered.* This code should be used when the primary insurance does not cover any portion of the claim. Examples of this include over-the-counter (OTC) items and any other item that is covered by the IHCP that is not covered by the primary insurance.
- *TPL override code 4 – Other coverage exists-payment not collected.* This code should only be used in cases in which a patient has active TPL coverage, but the claim is not paid. Deductibles and exhausted benefits are examples of such situations.

- *TPL override code 5 – Managed Care plan denial.* This code should **not** be used for RBMC IHCP denials; rather, it is to be used when the primary insurance is a Managed Care Organization that denies the claim.
- *TPL override code 6 – Other coverage exists, not a participating provider.* This code should be used when the dispensing pharmacy or prescribing physician is not a participating provider in the primary insurance company's network.
- *TPL override code 7 – Other coverage exists, not in effect at time of service.* The dispensing pharmacy should use this code only if a denial has been received from the primary insurance company stating the coverage for the participant has been terminated or if it has been otherwise verified that there is no other existing third party coverage.

Questions

Please direct any questions about the use of TPL codes or other pharmacy claims processing questions to the ACS Pharmacy Services Help Desk at 1-866-645-8344.

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