



PROVIDER BULLETIN

BT 200256

NOVEMBER 11, 2002

To: All Pharmacy Providers and Prescribing Providers

Subject: New Pharmacy Benefits Manager Service Vendor

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

Overview

During the 2001 legislative session, *Senate Enrolled Act 228* was passed, requiring the Indiana Medicaid Program to develop a plan for procuring a pharmacy benefits manager (PBM) to assist in administration of the Medicaid drug benefit. The Office of Medicaid Policy and Planning (OMPP) is pleased to announce that ACS State Healthcare (formerly Consultec) has been contracted by the state of Indiana to provide PBM services for the Indiana Medicaid program. This bulletin is the first of several introducing ACS and the services that will be performed under the PBM.

Currently, ACS is the claims processor and auditing entity for Indiana's prescription drug plan for seniors, known as Hoosier Rx. ACS also administers the development, implementation, and maintenance of the Indiana Health Coverage Programs (IHCP) Preferred Drug List (PDL). Additionally, ACS processes pharmacy claims for twelve state Medicaid programs and brings a wealth of expertise and experience to the Indiana Medicaid program.

One of the many significant responsibilities that ACS will assume under the PBM contract is the processing of drug claims submitted on the pharmacy claim form. This function is currently scheduled for implementation on Wednesday, January 1, 2003.

EDS, the current claims processor and fiscal agent for the IHCP, will continue in the capacity of the fiscal agent. Some of the functions that EDS will continue to perform, related to pharmacy issues, are provider enrollment, issuance of payment via EFT (electronic funds transfer) or check, and the weekly remittance advice to providers, as well as processing claims for medical supplies or Durable Medical Equipment (DME) billed on the HCFA-1500 claim form.

ACS' point-of sale (POS) pharmacy claims processing system, known as the Prescription Drug Claims System (PDCS), will function similar to the IndianaAIM system currently used by EDS. Additionally, ACS will continue to support claims submission and processing functions such as batch claim submission and processing of paper claims. With this change there will be minimal impact on the day-to-day activities of providers.

Another responsibility that ACS will assume as the PBM is the implementation of a comprehensive audit program of paid pharmacy claims. ACS has partnered with Prudent Rx to accomplish the auditing initiative. An auditing program that includes both retrospective audits conducted at the

provider's location (referred to as on-site audits), and desk reviews which are conducted at Prudent Rx's place of business, will be performed to ensure the appropriateness of payments made by the IHCP.

In mid-November, Prudent Rx will begin conducting desk reviews of select claims by requesting supporting documentation (such as copies of prescriptions) from pharmacies and prescribers as needed to review claims for appropriate payment. After review of the documentation, the provider will be notified of the results in writing, including notification of any overpayments and applicable interest that may have been identified.

In addition to desk reviews of paid claims, Prudent Rx will begin on-site reviews of pharmacies after January 1, 2003.

Please note the following important dates related to this change in the IHCP Pharmacy Claims Processor:

- **November 11, 2002:** A schedule for provider training sessions will be published. The ACS Call Center will start to take telephone registration for participation in these meetings.
- **November 15, 2002:** Prudent Rx begins sending documentation requests to providers in support of audits of pharmacy claims.
- **December 9, 2002:** An updated version of *Chapter 9* of the *Indiana Health Coverage Programs Provider Manual* will be available on the Indiana Medicaid Web Site at www.indianamedicaid.com. Included in the manual will be payer sheets and other documentation noting the pertinent changes to the program.
- **December 9, 2002, through December 13, 2002:** Provider training sessions conducted at various locations throughout Indiana.
- **December 16, 2002, through December 20, 2002:** Pharmacy providers will be able to submit test POS claims.
- **December 20, 2002:** Providers begin sending paper claims to ACS.
- **December 31, 2002:** EDS will process all batch electronic pharmacy claims received prior to 5 p.m.
- **December 31, 2002:** EDS will stop processing POS claims at midnight.
- **January 1, 2003:** ACS will begin processing POS, batch, and paper claims.

As noted above, ACS will assume the claims processing function for IHCP pharmacy claims as of January 1, 2003. To allow the transfer of claims history from EDS to ACS and to ensure a stable transition, it will be necessary for the POS system to be down for a period of time during the evening of December 31, 2002, through the morning of January 1, 2003. The downtime will allow ACS to complete all necessary functions related to the transfer. The OMPP selected this date to schedule the necessary downtime anticipating it will present the least inconvenience to providers and members. Future communications about this transition from EDS to ACS will advise providers of resources that will be available during the downtime period to check beneficiary eligibility and to address other provider concerns.

To ensure clear communications during this transition, prior to implementation ACS will meet with the major pharmacy and physician provider organizations to review procedures and discuss any concerns. If there are questions about this update, please contact ACS via email at Indiana.Providerrelations@acs-inc.com

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