Iowa Medicaid Enterprise
Update 2- Clarification on Coordination of
Benefits (COB) Claims Processing

Notification Date: December 27, 2011

To: **Pharmacy Providers**

From: **Iowa Medicaid Enterprise (IME)**

Effective Date: **December 27, 2011**

Subject: **Iowa Medicaid Pharmacy NCPDP D.Ø Implementation Update**

Iowa Medicaid has released the software upgrade to address the recent clarification by NCPDP regarding COB claims for COB Option 2, which adjudicates claims based on the 'patient financial responsibility' amounts rather than on 'Other Payer Amounts' as the State's current NCPDP v5.1 standard allows. We encourage the transition to NCPDP D.Ø within your pharmacy systems.

Below is the summary of the recent changes implemented:

Pharmacy Request Transaction when submitted to Medicaid as a Secondary Payer
1. Other Coverage Code (308-C8)

    All claims with an Other Coverage Code = 3 must contain at least **one** valid primary payer reject code in the Other Payer Reject Code (472-6E) field in the COB segment otherwise the claim will reject. Claims with an Other Coverage Code = 3 should not submit any Patient Responsibility Amounts in the COB segment or the claim will reject.

2. Other Payer-Patient Responsibility Amount Qualifier (351-NP)

    Only the indicator '06 = Patient Pay Amount' will be accepted as an Other Payer-Patient Responsibility Amount Qualifier. Claims submitted with any other indicator (01—5, 07-13) solely or in combination with the '06' indicator will be rejected. We can only accept the '06' indicator to assure the claim adjudicates properly and only the Medicaid copay is returned in the Patient Pay Amount (505-F5) field.

<u>Pharmacy Response Transaction when Medicaid is a Secondary Payer</u>
1. Patient Pay Amount (505-F5)

       With the software upgrade the Patient Pay Amount will now reflect the true Medicaid copay amount calculated after Medicaid provider payment. This field should be used to collect payment from Medicaid patients. If you were previously instructed to collect payment based on the Amount of Copay (518-FI) field, the new software update will negate the necessity to utilize this field.

In addition to the above outlined changes, we would like to provide clarification on the Other Payer ID (340-7C) in the COB segment. The field should contain the **Primary** insurance's payer ID and **not** our Medicaid BIN number. Typically, the Other Payer ID is the primary insurance BIN number.

The purpose of the changes is to ensure that our Iowa Medicaid population is appropriately charged only their Medicaid copay and to reduce the confusion that has occurred for some NCPDP D.Ø COB claims. We thank you for your understanding. Please contact our Point-of-Sale Helpdesk at 877-463-7671 or 256-4608 (local) for any questions or concerns.

Updated NCPDP D.Ø payer sheet is posted at
http://www.iowamedicaidpos.com/uploads/bc/zE/bczEwEt8QYNYcIZWicQSLw/D0_Payer_Sheet_IAPOP_12162011.pdf.