



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1408

**TO:** Iowa Medicaid Pharmacies Billing Electronically

**FROM:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**DATE:** August 1, 2014

**RE:** NCPDP D.Ø Payer Sheet Update for 34ØB Claims Submission

**EFFECTIVE:** August 1, 2014

\*\*\*\*\*This letter replaces Informational Letter No. 1406 dated July 11, 2014\*\*\*\*\*

**1. Payer Sheet:** Changes to the payer sheet for data submission will be effective for all Iowa Medicaid pharmacies submitting 34ØB claims to Iowa Medicaid on August 1, 2014. Pharmacies submitting claims for 34ØB-acquired drugs are required to bill Iowa Medicaid at the 34ØB actual acquisition cost (AAC) at Ingredient Cost Submitted field 4Ø9-D9 and must also include the following values:

- Non-compound claims: values of “Ø8” in the Basis of Cost Determination field 423-DN and “2Ø” in the Submission Clarification Code field 42Ø-DK.
- Compound claims: values of “Ø8” in the Basis of Cost Determination field 423-DN and in the Compound Ingredient Basis of Cost Determination field 49Ø-UE, along with “2Ø” in the Submission Clarification Code field 42Ø-DK. If a compound is submitted as a 34ØB claim, all ingredients must be submitted with 34ØB pricing. Only ingredients submitted with 34ØB pricing will be payable in the compound.

If the product is not eligible for 34ØB pricing, do not include the Basis of Cost Determination value of “Ø8” or the Submission Clarification Code value of “2Ø” and bill at the regular Medicaid rate.

**Please note, when submitting a value for the Basis of Cost Determination fields (423-DN and 49Ø-UE) a valid value must be submitted.**

**2. Rejection Codes:** The following rejection codes will be received for claims not following the above requirements.

**A. Rejection messages for non-compound and compound claims:**

- i. Claim has a Submission Clarification code (42Ø-DK) of 2Ø and Basis of Cost Determination (423-DN) is not equal to Ø8.

Rejection Code = DN M/I BASIS OF COST DETERMINATION – When submitting 34ØB claims, both Basis of Cost Ø8 and Submission Clarification Code 2Ø must be submitted.

- ii. Claim has a Basis of Cost Determination (423-DN) of Ø8 and Submission Clarification Code (42Ø-DK) is not equal to 2Ø.

Rejection Code = 34 M/I SUBMISSION CLARIFICATION CODE - When submitting 34ØB claims, both Basis of Cost Ø8 and Submission Clarification Code 2Ø must be submitted.

- iii. Claim submitted with invalid Basis of Cost Determination (423-DN).

Rejection Code = DN M/I BASIS OF COST DETERMINATION – 423-DN INVALID.

#### **B. Rejection messages for compound claims only:**

- i. Claim has a Submission Clarification Code (42Ø-DK) of 2Ø and Compound Ingredient Basis of Cost Determination (49Ø-UE) is not equal to Ø8.

Rejection Code = UE M/I COMPOUND INGREDIENT BASIS OF COST DETERMINATION - When submitting 34ØB claims, both Compound Ingredient Basis of Cost Ø8 and Submission Clarification Code 2Ø must be submitted. If Submission Clarification Code Ø8 is used for approved ingredients, only compound ingredient basis of cost Ø8 will be accepted.

- ii. Claim submitted with invalid Compound Ingredient Basis of Cost Determination (49Ø-UE).

Rejection Code= UE M/I COMPOUND INGREDIENT BASIS OF COST DETERMINATION – 49Ø-UE INVALID.

The changes identified with the payer sheet update are noted on the following page. The updated payer sheet, including instructions, can be found on the [Iowa Medicaid POS Website](#)<sup>1</sup> on the Provider Information link.

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<sup>1</sup> <http://www.iowamedicaidpos.com/>

SEGMENT AFFECTED	FIELD #	FIELD NAME	D.Ø USAGE	EXPLANATION OF CHANGE
<b>Field Modifications</b>				
CLAIM SEGMENT	42Ø - DK	SUBMISSION CLARIFICATION CODE	RW	Use indicator “2Ø” when submitting 34Ø B claims
PRICING SEGMENT	4Ø9-D9	INGREDIENT COST SUBMITTED	R	34ØB pharmacies – submit 34ØB cost here with the Basis of Cost Determination (423-DN) indicator of ‘Ø8’.
PRICING SEGMENT	423-DN	BASIS OF COST DETERMINATION	RW	<i>Payer Requirement:</i> Use indicator (Ø8=34ØB) for 34ØB claims, with the amount being submitted in the Ingredient Cost Submitted (4Ø9-D9) field.
COMPOUND SEGMENT	49Ø - UE	COMPOUND INGREDIENT BASIS OF COST DETERMINATION	RW	<i>Payer Requirement:</i> Use indicator (Ø8=34ØB) for 34ØB claims, with the amount being submitted in the Ingredient Cost Submitted (4Ø9-D9) field.

## GENERAL INFORMATION AND GUIDANCE

### *Standards list*

Iowa Medicaid’s Point of Sale is based on the following standards:

1. NCPDP Telecommunications Standard Version/Release D.Ø

2. NCPDP Data Dictionary Published July 2007
3. NCPDP External Code List Published October 2011
4. NCPDP Emergency Telecommunication External Code List Value Addendum  
Published July 2013

### ***Transmissions***

Refer to the NCPDP Telecommunication Standard Implementation Guide Version D.0 for the structure and syntax of the transaction(s) within the transmission.

### ***Segments***

Each segment is listed as mandatory, situational, or optional for a given transaction in the NCPDP *Telecommunication Standard Implementation Guide*. If the segment is mandatory for a given transaction, that segment must be sent. If the segment is situational, the situations outlined in the guide must be followed for use.

### ***Fields***

#### **M-Mandatory Fields**

If a field is designated as “M” (Mandatory) on the payer sheet, the field is mandatory for the segment in the transaction. Mandatory elements have structural requirements and are the **only** fields that have the “Mandatory” designation on the payer sheet. These fields must be submitted.

#### **R-Situational Fields – Required**

If a field is designated as “R” (Required) on the payer sheet, the field has been designated as “Required” for the Segment in the designated transaction. The “Value” column of the template may contain instructional material.

#### **RW-Situational Fields – Qualified Requirement**

If a field is designated as “RW” (Required When) in the payer sheet, the field may be used according to the situations defined on the payer sheet, or not used.

We encourage providers to go to the [Iowa Medicaid POS Website](http://www.iowamedicaidpos.com/)<sup>2</sup> to view all recent changes to the payer sheet. If you have questions, please email [POSTechSupport@ghsinc.com](mailto:POSTechSupport@ghsinc.com) or call 877-553-8455 indicating needed support for Iowa.

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<sup>2</sup> <http://www.iowamedicaidpos.com/>