

MedicAide

An informational newsletter for Idaho Medicaid Providers

From the Idaho Department of Health and Welfare, Division of Medicaid

February 2004

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Distributed by the
Division of Medicaid
Department of
Health and Welfare
State of Idaho

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Payment Accuracy Measurement Project

The Improper Payments Information Act of 2002 (Public Law 107-300) directs the Centers for Medicare and Medicaid Services (CMS) to review all of its programs and activities annually, identify those that may be susceptible to significant improper payments, estimate the annual amount of improper payments, and submit those findings to Congress each year.

This is the third year of a three year CMS pilot, called the Payment Accuracy Measurement Demonstration Project (PAM), to develop a single methodology that can produce both state-specific and national level Medicaid payment accuracy estimates to comply with the requirements of the Act. PAM will be implemented on a national basis after the third year.

During the first year of the PAM Project, nine states developed and pilot tested various methodologies. From the results of year one, CMS developed the CMS PAM Model. During the second year, 12 states tested the CMS PAM Model. Based on their findings the model was modified. Year three is to pilot the final model in both the SCHIP and the regular Medicaid program.

Twenty seven states, including Idaho, were awarded grants to participate in the year three pilot. Idaho is participating in both the Medicaid and the SCHIP components of the project.

The model can be summed up as follows: we will draw a statistically valid, random sample from the universe of recently-paid Medicaid and SCHIP claims. We will then review and audit the sampled claims to determine the validity of the payments made. The audit will include an examination of the accuracy of the claims processing system, the medical necessity of the service for which payment was claimed, and the eligibility of the beneficiary who received the service. The dollar amount of any errors identified (overpayments and underpayments) will be tracked and used to calculate the final payment accuracy rate.

The assistance of providers is requested for this project. The sample size for this initiative is modest and most providers will not be sampled, but a small number will be asked to submit medical records to the state Medicaid agency for review. The number of records requested from any single provider will vary depending on claim volume. We anticipate the impact on any single provider will be limited. Providers are strongly encouraged to respond with requested documentation in a timely manner. Your cooperation will ensure the state's program is fully credited for claims accurately paid. If documentation for the requested claim is not provided, the amount of the claim will be considered an error, resulting in a lower accuracy rate.

Because this research project is conducted to improve the accuracy of Medicaid payments, records submitted to your Medicaid agency for review do not need to be de-identified to comply with the privacy provisions in the Health Insurance Portability and Accountability Act (HIPAA).

If you have any questions or concerns regarding this project please contact DeeAnne Moore of the State Medicaid agency at (208) 364-1947 or moored@idhw.state.id.us.

New HIPAA Transaction: Health Care Claim Status Request and Response

Beginning February 23, 2004, Idaho Medicaid will support a new HIPAA transaction known as the 276/277, Electronic Claim Status Inquiry and Response. This transaction allows providers to electronically inquire on the status of claims, and requires health care plans to return an electronic response. (276 is the electronic inquiry and 277 is the electronic response). A 276 inquiry can be sent with only a claim number or with the client Medicaid ID number, client last and first name, gender and date of birth. Claim category and status codes will be returned in the 277 response. The 276/277 HIPAA transaction will be processed by EDS on a daily basis.

As with all HIPAA transactions, there are required data elements you will need to be aware of to ensure a successful transmission. These requirements can be found in the vendor specifications and are available on request by calling EDS at (800) 685-3757 and asking for 'Technical Support'.

In order to use this new functionality, you must have software which supports the 276/277 transaction, and the transaction must be tested with EDS. EDS will accept the 276/277 transaction for testing beginning January 12, 2004. The transaction is **not** supported in Idaho's electronic billing software, Provider Electronic Solutions (PES).

Want to know more? Contact your software vendor to find out if they support this transaction and what you need to do to get ready.

Submitted by DHW HIPAA Project Team

Electronic Remittance Advice (ERA)

Providers who receive electronic remittance advices will notice an added data element in late February. This data element, referred to as the EFT or warrant number, is a piece of information sent to EDS in the weekly warrant file received from the State of Idaho's financial system.

If you do not currently receive an electronic remittance advice and would like to begin receiving one, you must submit a request to EDS in writing. Providers may call EDS at (800) 685-3757 to obtain the request form titled *Idaho Medicaid Program Electronic Remittance Advice (ERA) Authorization Form*. This request must include your provider number and the BBS logon (submitter) ID. Providers must submit a new request, even if they have been receiving an ERA prior to the HIPAA changes. Please keep in mind the Idaho Medicaid Provider Electronic Solutions (PES) software does **not** support the electronic remittance advice HIPAA 835 transaction.

Submitted by DHW HIPAA Project Team

Healthy Connections and Lock In Case Management Fees

On October 20th 2003, as part of HIPAA compliance actions, all local codes were eliminated and replaced with national codes. Prior to this change, monthly case management fees paid to providers for Healthy Connections and Lock In clients were processed as claims using local codes. Beginning in February, the sum of the fees paid for all clients will appear as a single financial transaction under the Financial Items on the paper Remittance Advice rather than as multiple individual claims.

Submitted by DHW HIPAA Project Team

DHW Phone Numbers

Addresses

Web Sites

DHW Websites

www.idahohealth.org

www2.state.id.us/dhw

[www2.state.id.us/dhw/medicaid/providers/](http://www2.state.id.us/dhw/medicaid/providers/pharmacy.htm)

[pharmacy.htm](http://www2.state.id.us/dhw/medicaid/providers/pharmacy.htm)

Idaho Careline

211 (available in all areas)
(800) 926-2588

Provider Fraud and Utilization Review

P. O. Box 83720

Boise, ID 83720-0036

(866) 635-7515 (toll free)

(208) 334-0675

Email:

[~medicaidfraud&sur@](mailto:~medicaidfraud&sur@idhw.state.id.us)

[idhw.state.id.us](mailto:~medicaidfraud&sur@idhw.state.id.us)

(note: begins with ~)

Internet:

[www2.state.id.us/dhw/](http://www2.state.id.us/dhw/Medicaid/providers/fraud.htm)

[Medicaid/providers/fraud.htm](http://www2.state.id.us/dhw/Medicaid/providers/fraud.htm)

Healthy Connections

Region I - Coeur d'Alene

(208) 666-6766

(800) 299-6766

Region II - Lewiston

(208) 799-5088

(800) 799-5088

Region III - Caldwell

(208) 455-7280

(800) 494-4133

Region IV - Boise

(208) 334-4676

(800) 354-2574

Region V - Twin Falls

(208) 736-4793

(800) 897-4929

Region VI - Pocatello

(208) 239-6260

(800) 284-7857

Region VII - Idaho Falls

(208) 528-5786

(800) 919-9945

Spanish Speaking

(800) 862-2147

**Prior Authorization
Phone Numbers
Addresses
Web Sites**

DME Prior Authorizations

DME Specialist
Bureau of Care Management
PO Box 83720
Boise, ID 83720-0036
(866) 205-7403 (toll free)
Fax
(800) 352-6044
(att: DME Specialist)

PCG

P.O. Box 2894
Boise, ID 83701
(800) 873-5875
(208) 375-1132
Fax (208) 375-1134

Pharmacy

P.O. Box 83720
Boise, ID 83720-0036
(877) 200-5441 (toll free)
(208) 364-1829
Fax (208) 364-1864
Web: www2.state.id.us/dhw/medicaid/providers/pharmacy.htm

Qualis Health (telephonic & retrospective reviews)

10700 Meridian Ave. N.
Suite 100
Seattle, WA 98133-9075
(800) 783-9207
Fax (800) 826-3836 or
(206) 368-2765

Qualis Health Website
www.qualishealth.org/idahomedicaid.htm

**Transportation Prior
Authorization Unit**

(800) 296-0509
(208) 334-4990
Fax
(800) 296-0513
(208) 334-4979

Ambulance Review

(800) 362-7648
(208) 287-1155
Fax
(800) 359-2236
(208) 334-5242

December 24, 2003

TO: MEDICAID EMERGENCY TRANSPORTATION PROVIDERS AND
AMBULANCE BILLING STAFF

FROM: THE DIVISION OF HEALTH, EMERGENCY MEDICAL SERVICES (EMS)

SUBJECT: AMBULANCE REVIEW AND PRIOR AUTHORIZATIONS

Effective January 5, 2003, the authorization of emergency transportation requests for Medicaid clients will transfer to the Division of Medicaid, Medicaid Transportation Unit.

This change will impact ambulance prior authorizations and retrospective reviews only. All other EMS responsibilities such as licensure, etc. remain unchanged. Please mail your claim forms and run sheets to the following address:

DHW - Division of Medicaid
Ambulance Review - Medical Transportation Unit
Attn: Lynne Denné
P.O. BOX 83720
Boise, ID 83720-0036

The phone numbers will be:

Ambulance Review Phone 800-362-7648 or Local 287-1155 (new)
Ambulance Review FAX 800-359-2236 or Local 334-5242

Prescription Prior Authorization Requests

For your convenience, pharmacy prior authorization request forms are posted on our website at www.idahohealth.org. Prescribers may phone pharmacy PA requests into the Medicaid Pharmacy unit at (208) 364-1829.

Prescribers please note: if your professional claims for Medicaid clients are billed to Idaho Medicaid with the ICD-9 (diagnosis) codes justifying the prescription, fewer manual pharmacy PA requests will be required.

Pharmacy personnel may call in a prior authorization request if the prescriber documents on the prescription the diagnosis for the medication being prescribed and no further medical information is required to meet the pharmacy PA criteria.

New NCPDP 5.1 Transactions Available in February

Beginning February 23, 2004, EDS will be able to process interactive requests from retail pharmacies for:

- Prior authorizations
- Inquiring on a previous prior authorization request
- Reversing a request
- Checking client eligibility (Please note, the NCPDP 5.1 eligibility transaction does not include additional information that may restrict drug coverage such as lock in, third party insurance, nursing home eligibility, etc.)

These requests must be submitted using the NCPDP 5.1 format.

The required data elements for these requests are in the vendor specifications for NCPDP 5.1 which are available upon request by calling EDS at (800) 685-3757, and asking for 'Technical Support'.

If you would like to take advantage of these options, please have your software vendor contact Technical Support at EDS to test your transactions and resolve any issues you may encounter.

Submitted by DHW HIPAA Project Team

When You Ask MAVIS for *AGENT*

The *EDS* provider service representative team is working to build a strong relationship with the Idaho Medicaid provider community. Recently, the team members are answering almost 1000 calls on some days. When providers call MAVIS and ask for *AGENT* they are connected to a provider service representative (PSR).

With what can a PSR help me?

Provider service representatives (PSRs) are trained to quickly and accurately answer provider billing questions and client eligibility. They can explain the adjustment process, request the addition of procedure/modifier combinations, and answer questions on claims. They can tell the provider if a service needs a prior authorization but they do not do prior authorization.

What information will I need to give to the PSR?

Just like with MAVIS, you will need the following information when you call: your 9-digit Idaho Medicaid provider number, the internal control number (ICN) for the claim **or** the client's Medicaid identification number (MID) and the dates of service.

I lost my security code for MAVIS, now what do I do?

If you lose your MAVIS security code, call MAVIS and ask for *AGENT*. Give the PSR your Idaho Medicaid provider number and the PSR will reset your security setting for MAVIS. You will then have to call MAVIS back to create a new security code. To protect the security of the MAVIS system, PSRs do not have access to provider security codes and cannot create them for providers. (Also for security reasons, PSRs cannot reset a provider's password for their PES software.)

Can a PSR help me get prior authorization for services?

NO! *EDS* does not do prior authorization for any services. Please check your Idaho Medicaid Provider Handbook for information on how and when to get prior authorization.

If I leave a message, how long will I have to wait for a call back?

Everyday the *EDS* PSR team receives as many as 200 voice messages. The team regularly checks the voice mail during the day and logs every message it receives. The PSR team is required to make three attempts to contact the caller and will respond to **every** message left by a provider either by the close of business that day or the next. When leaving a message, include the following information: provider name and telephone number, provider and client Medicaid numbers, and the dates of service.

I live in northern Idaho and got a call-back at 7:05 A.M.! What gives?

The provider service agents are available Monday through Friday, from 8:00 a.m. to 6:00 p.m. (Mountain Standard Time). We sometimes make mistakes because Idaho spans two time zones but has only one telephone area code. When leaving a voice mail message, please be sure to mention if you live in northern Idaho and we will try to call later in the day.

If a client has a question, should I give them the same telephone number I use?

No. There is a special toll-free phone number for clients (1-888-239-8463). Please don't give the provider telephone number to clients because it will slow down answering provider calls.

Submitted by EDS Provider Services

EDS Phone Numbers Addresses

MAVIS

(800) 685-3757
(208) 383-4310

EDS

Correspondence

PO Box 23
Boise, ID 83707

Provider Enrollment

P.O. Box 23
Boise, Idaho 83707

Medicaid Claims

PO Box 23
Boise, ID 83707

PCS & ResHab Claims

PO Box 83755
Boise, ID 83707

EDS Fax Numbers

Provider Enrollment

(208) 395-2198

Provider Services

(208) 395-2072

Client Assistance Line

Toll free: (888) 239-8463

DHW HIPAA Project

Mail:

DHW HIPAA Project
DHW
PO Box 83720
Boise, ID 83720-0036

Email:

HIPAAComm@idhw.state.id.us

Fax:

DHW HIPAA Project
(208) 334-0645

Internet:

www.idahohealth.org
(select H&W HIPAA
quicklink)

or

[www2.state.id.us/dhw/
hipaa/index.htm](http://www2.state.id.us/dhw/hipaa/index.htm)

**EDS Phone Numbers
Addresses**

**Provider Relations
Consultants**

Region 1

Prudie Teal
1120 Ironwood Dr., # 102
Coeur d'Alene, ID 83814

prudie.teal@eds.com
(208) 666-6859
(866) 899-2512 (toll free)
Fax (208) 666-6856

Region 2

JoAnn Woodland
1118 F Street
P.O. Drawer B
Lewiston, ID 83501

joann.woodland@eds.com
(208) 799-4350
Fax (208) 799-5167

Region 3

Mary Jeffries
3402 Franklin
Caldwell, ID 83605

mary.jeffries@eds.com
(208) 455-7162
Fax (208) 454-7625

Region 4

Jane Hoover
1720 Westgate Drive, # A
Boise, ID 83704

jane.hoover@eds.com
(208) 334-0842
Fax (208) 334-0953

Region 5

Penny Schell
2241 Overland Avenue
Burley ID 83318

penny.schell@eds.com
Burley: Tuesday & Friday
(208) 677-4002

Twin Falls: Mon, Wed, Thurs
(208) 736-2143
Fax (208) 678-1263

Region 6

Sheila Lux
1070 Hilina Road
Pocatello, ID 83201

sheila.lux@eds.com
(208) 239-6268
Fax (208) 239-6269

Region 7

Bobbi Woodhouse
150 Shoup Avenue
Idaho Falls, ID 83402

bobbi.woodhouse@eds.com
(208) 528-5728
Fax (208) 528-5756

December 23, 2003

MEDICAID INFORMATION RELEASE 2004-04

TO: All Prescribing Providers, Pharmacists, and Long-Term Care Providers

FROM: Paul Swatsenbarg, Deputy Administrator

SUBJECT: AUTOMATED PRIOR AUTHORIZATION PROCESS AND CALL CENTER FOR MEDICAID PHARMACY CLAIMS

Idaho Medicaid is implementing an Enhanced Prior Authorization Program. The Enhanced Prior Authorization Program (EPAP) is designed to provide Medicaid participants the most effective drug at the right price. Part of this program is an automated prior authorization system for pharmacy claims called SmartPASM. This system will provide turnaround for a majority of prior authorization requests at the pharmacy and less paper requests from the prescribers.

HOW DOES SMARTPASM WORK

The pharmacist submits a participant's prescription to Idaho Medicaid through the point of sale (POS) system. If the medication requires prior authorization and the claim has not been denied for any other edit, the claim is electronically transmitted to SmartPASM.

SmartPASM applies predetermined prior authorization (PA) criteria to the pharmacy drug claim utilizing both medical and drug data.

Claims that meet the predetermined criteria are approved in a real time environment and the claim is paid.

If the criteria is not met, the pharmacy provider is sent an electronic message at POS that states "PA required" and the drug claim is denied.

The pharmacy provider should then contact the prescriber to let him know that he must call the Medicaid Call Center or fax in a PA request for further consideration of this drug claim.

In this way, SmartPASM effectively removes a significant number of PA requests from the manual PA request environment. *The prescriber needs to be contacted only when the request is not approved at POS.*

HOW TO OBTAIN PRIOR AUTHORIZATION CONSIDERATION AFTER DENIAL FOR "PA REQUIRED" AT THE PHARMACY

If the claim denies for prior authorization and the prescriber wants to pursue obtaining a prior authorization, the prescriber will need to contact the **Medicaid Pharmacy Call Center at 208-364-1829** or fax in a completed prior authorization form. PA forms can be located on the Medicaid Pharmacy website: www.idahohealth.org.

When calling the Medicaid Pharmacy Call Center, the prescriber will need to provide Call Center staff with the following information:

- Prescriber name and phone number
- Client name and Medicaid ID number
- Drug name, strength, and quantity
- Pharmacy name (if known)

Call Center staff may require further clinical information from the provider based on the drug PA criteria.

The staff will input the needed information into the SmartPASM application. SmartPASM will then automatically query both the medical and pharmacy databases and the manually input information to determine if the PA criteria have been met.

The PA decision will be explained to the calling provider.

If the PA is approved, the pharmacy will be able to resubmit the claim through the POS system immediately.

MEDICAID INFORMATION RELEASE 2004-04 continued on page 6

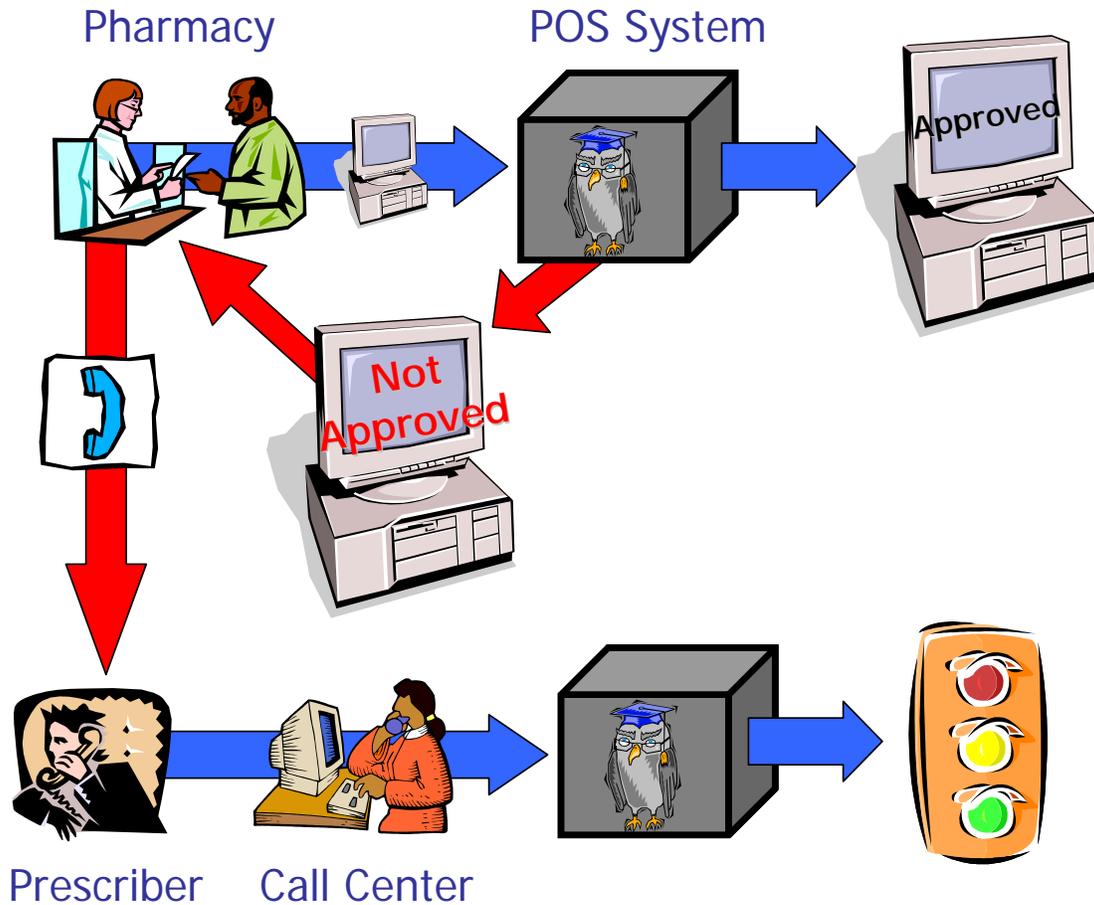
HOW SMARTPASM AFFECTS QUANTITY PRIOR AUTHORIZATIONS

On August 19, 2002, Idaho Medicaid began requiring prior authorizations for quantity override requests. It required the pharmacy to bill with a paper claim for reimbursement.

The SmartPASM application will change this process by allowing for an authorized quantity override to be billed through the POS system.

The quantity override request form must be faxed to (208) 364-1864 for consideration prior to dispensing to guarantee reimbursement.

If you have any questions, please contact the Medicaid Pharmacy Program at (208) 364-1829.



December 23, 2003

MEDICAID INFORMATION RELEASE MA04-05

TO: Dental Providers

FROM: Kathleen P. Allyn, Deputy Administrator

SUBJECT: CORRECTION TO INFORMATION RELEASE 2003-87 CONCERNING AMERICAN DENTAL ASSOCIATION (ADA) 1999 (2000) RED INK CLAIM FORM

This Information Release (IR) reflects a change in Medicaid Policy previously issued in IR 2003-87 concerning mandatory use of ADA 1999 (2000) red ink claim form.

Numerous dental providers who bill on paper claims have contacted Medicaid to voice their concerns about Information Release 2003-87, and indicated that changing their billing systems to the red ink ADA 1999 claim form would create significant financial and staffing impacts on their dental practices. **Therefore, in response to the concerns of our dental providers, Idaho Medicaid will continue to encourage, but will not mandate, the use of the ADA 1999 (2000) red ink claim form for paper claims on January 1, 2004.**

You may bill dental claims using the following options, in order of efficiency:

1. Electronic billing is the quickest and most accurate way to submit Medicaid claims. Providers who are not set up to bill electronically may contact an EDS Provider Services Representative for more information toll-free at 1-800-685-3757, or 383-4310 in the Boise area.
2. Paper claims billed on the *red ink* ADA 1999 (2000) claim form can be scanned and processed more quickly than other paper claim forms.
3. Paper claims may be billed on the ADA 1999 (2000) claim form printed in *black ink, including software-generated claim forms which print on plain paper.*
4. Paper claims may also be billed on ADA dental claim forms older than the ADA 1999 (2000), however these claims require a longer period to process as they must be manually data-entered by EDS.

Please note that Medicaid still cannot accept paper claims on the ADA 2003 claim form because it does not contain all the required fields needed for processing.

Any questions about this Information Release should be directed to EDS at 1-800-685-3757 or 383-4310 in the Boise area.

Thank you for discussing your issues and concerns with Medicaid and for your continued participation in the Idaho Medicaid Program.

KPA/af

Information Releases on Web

To obtain a copy of any current information release, please check the DHW website at www2.state.id.us/dhw and select **Medicaid**.

December 30, 2003

MEDICAID INFORMATION RELEASE MA04-06

TO: All Professional Providers Billing Medications with HCPCS codes

FROM: Kathleen P. Allyn, Deputy Administrator

SUBJECT: Additional information concerning Medicaid Information Release MA03-69, "Requirement of National Drug Code (NDC)"

This Information Release is a follow-up to IR MA03-69, "Requirement of National Drug Code (NDC)", published on pages 11 and 12 in the October 2003 MedicAide provider newsletter. This IR may be accessed online at: <http://www2.state.id.us/dhw/medicaid/MedicAide/1003.pdf> .

Professional claims for medications reported with HCPCS (Healthcare Common Procedure Coding System) codes **for dates of service on or after February 1, 2004** must include the NDC of the medication supplied, units dispensed, and basis of measurement for each HCPCS medication.

This requirement:

- also applies to cancer drugs with HCPCS codes
- applies to claims submitted electronically and on the paper CMS 1500 form
- *does not* apply to Medicare claims which "crossover" to Medicaid as the secondary payer

The HCPCS medications that will require NDC information are listed in the current HCPCS Level II Expert manual, Appendix 3, alphabetically by both generic and brand or trade name with corresponding HCPCS codes.

Claims with incomplete NDC information will be denied with EOB 628 – "NDC required....".

The collection of the NDC information will allow Medicaid to collect rebates due from drug manufacturers, resulting in significant cost saving to Idaho's Medicaid Program. This requirement is supported by the federal Centers for Medicare and Medicaid Services (CMS), which is encouraging all states to develop systems to claim drug rebates for the Medicaid programs. See State Medicaid Director Letter #03-002, at: <http://www.cms.hhs.gov/states/letters/smd031403.pdf>.

ELECTRONIC CLAIMS

PES SOFTWARE:

Electronic billing is the quickest and most accurate way to submit Medicaid claims. The HIPAA compliant fields needed to report NDC information are already available for providers using the EDS billing software PES (Provider Electronic Solutions). Providers who are not set up to bill electronically with PES software may contact an EDS Provider Services Representative for more information toll-free at 1-800-685-3757, or 383-4310 in the Boise area.

Complete the **Service** and **RX** tab fields using the following guidelines:

SERVICE Tabs:

Complete **Service Tabs 1 and 2** as appropriate.

Bring up **Service Tab 3**, **complete** appropriate fields, and mark **Y** in the **RX Ind** field, which will bring up the **RX** tab which must then be opened and completed:

RX Tab:

NDC – Enter the 11 digit NDC number.

Prescription Number – not required.

Units – Enter the units dispensed that you are billing for. You may want to refer to the HCPCS manual, Appendix 3, which includes brief directions regarding the "Amount" (Unit) column.

Basis of Measurement – Enter IU – International Units, GR – grams, ML – milliliters, or UN – units (such as the number of tablets, capsules).

Unit Price – Enter the price for the HCPCS medication dispensed.

If you have questions, refer to the Idaho Provider Electronic Solutions Handbook, Section 9 (837 Professional Forms) which can be accessed online at: http://www2.state.id.us/dhw/medicaid/provvhb/ipesh_handbook.pdf

PROVIDERS USING VENDOR SOFTWARE:

Check with your vendor or clearinghouse. If your software does not allow NDC information to be submitted in the appropriate HIPAA approved fields, you may use the **Comment** field for NDC information for no longer than 6 months while your software is being modified. Be sure to refer to the detail number in your **Comments**.

After August 1, 2004 claims submitted without NDC information in HIPAA approved fields will be automatically denied.

WHAT IF YOUR VENDOR SOFTWARE IS NOT READY ON FEB. 1, 2004?

You do not have to delay submitting outpatient Medicaid claims if one or more details include HCPCS medications. Here are your options for getting your claims processed as quickly as possible:

- You can bill the rest of the claim electronically, and wait to bill the line item details which need NDC information until your software is ready. You have up to one year from the date of service to bill any part of a claim, or
- You can bill the details which need NDC information on a paper CMS 1500 claim form, separate from the rest of your electronic claim.

PAPER CLAIMS

BILL PAPER CLAIMS ON THE CMS 1500 FORM

For each HCPCS medication detail, use the following guidelines:

Submission of the NDC Detail Attachment is required with paper claim forms when submitting a medication billed with a HCPCS code. For each HCPCS medication, complete the attachment with corresponding detail number, NDC number, description, units dispensed, basis of measurement, and total charges.

The NDC Detail Attachment is available electronically to be printed out and copied for your use. It can be found on page 12 at: <http://www2.state.id.us/dhw/medicaid/MedicAide/1003.pdf>

Providers can avoid filling out the NDC Detail Attachment by submitting their claims electronically.

Please refer to the Idaho Provider Handbook, Section 3, for additional billing information. This handbook can be accessed online at: http://www2.state.id.us/dhw/medicaid/provhb/s3_physician_osteopdf

Any questions about this Information Release should be directed to EDS at 1-800-685-3757 or 383-4310 in the Boise area.

Thank you for your continued participation in Idaho's Medicaid Program.

KPA/af

December 30, 2003

MEDICAID INFORMATION RELEASE 2004-07

TO: Outpatient Hospital Providers Billing Medications with HCPCS

FROM: Kathleen P. Allyn, Deputy Administrator

SUBJECT: REQUIREMENT OF NATIONAL DRUG CODE (NDC) FOR OUTPATIENT CLAIMS

Outpatient hospital claims for medications reported with HCPCS (Healthcare Common Procedure Coding System) codes **for dates of service on or after February 1, 2004** must include the NDC of the medication supplied, units dispensed, and basis of measurement for each HCPCS medication.

This requirement:

- also applies to cancer drugs with HCPCS codes
- applies to claims submitted electronically and on the paper UB-92 form
- *does not* apply to Medicare claims which “crossover” to Medicaid as the secondary payer

The HCPCS medications which will require NDC information are listed in the current HCPCS Level II Expert manual, Appendix 3, alphabetically by both generic and brand or trade name with corresponding HCPCS codes.

Claims with incomplete NDC information will be denied with EOB 628 – “NDC required....”

The collection of the NDC information will allow Medicaid to collect rebates due from drug manufacturers, resulting in significant cost saving to Idaho’s Medicaid Program. This requirement is supported by the federal Centers for Medicare and Medicaid Services (CMS), which is encouraging all states to develop systems to claim drug rebates for the Medicaid programs. See State Medicaid Director Letter #03-002, at: <http://www.cms.hhs.gov/states/letters/smd031403.pdf>.

ELECTRONIC CLAIMS

PES SOFTWARE:

The HIPAA compliant fields needed to report NDC information are already available for providers using the EDS billing software PES (Provider Electronic Solutions). Please use the following guidelines.

Complete the **Service** and **RX** tab fields using the following guidelines:

Service Tab:

Date of Service

Revenue code – Use revenue code 634 or 635 for epoetin, or 636 (“drugs requiring special coding”), and include the HCPCS and NDC information.

Billed Amount – enter total charges for the revenue code billed.

Units - the number of times you provided the HCPCS medication for that date of service (not the grams, milligrams, or number of tablets).

Basis of measurement will be UN (unit) – software defaults to UN.

Unit Rate – not required.

Procedure – enter the 5 digit HCPCS code.

Modifiers – not required.

RX Ind – enter **Y** and the **RX** tab will pop up, which must be completed.

RX Tab:

NDC – Enter the 11 digit NDC number.

Prescription Number – not required.

Units – Enter the units dispensed that you are billing for. You may want to refer to the HCPCS manual, Appendix 3, which includes brief directions regarding the “Amount” (Unit) column.

Basis of Measurement – Enter IU – International Units, GR – grams, ML – milliliters, or UN – units (such as the number of tablets, capsules).

Unit Price – Enter the price for the HCPCS medication dispensed.

If you have questions, refer to the Idaho Provider Electronic Solutions Handbook, Section 8 (837 Institutional - Outpatient Form) which can be accessed online at: http://www2.state.id.us/dhw/medicaid/provhb/ipesh_handbook.pdf.

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PROVIDERS USING VENDOR SOFTWARE:

Check with your vendor or clearinghouse. If your software does not allow NDC information to be submitted in the appropriate HIPAA approved fields, you may use the **Comment** field for NDC information for no longer than 6 months while your software is being modified. Be sure to refer to the detail number in your **Comments**.

After August 1, 2004 claims submitted without NDC information in HIPAA approved fields will be automatically denied.

WHAT IF YOUR VENDOR SOFTWARE IS NOT READY ON FEBRUARY 1, 2004?

You do not have to delay submitting outpatient Medicaid claims if one or more details include HCPCS medications. Here are your options for getting your claims processed as quickly as possible:

- You can bill the rest of the claim electronically, and wait to bill the line item details which need NDC information until your software is ready. You have up to one year from the date of service to bill any part of a claim, or
- You can bill the details which need NDC information on a paper UB-92 claim form, separate from the rest of your outpatient electronic claim.

<p>PAPER CLAIMS - UB-92 FORM</p>

For each HCPCS medication detail, use the following guidelines:

Revenue code – Use revenue code 634 or 635 for epoetin, or 636 (“drugs requiring special coding”), and include the HCPCS and NDC information.

Description – Include 11 digit NDC number, description of medication, units dispensed, and basis of measurement (IU – International Units, GR – grams, ML – milliliters, or UN – units, such as tablets, capsules). If more narrative space is needed Field 84 (**Remarks**) may also be used. Include the detail number for reference.

HCPCS/RATES – Enter the 5 digit HCPCS code.

Service Date

Service Units – the number of times you provided the HCPCS coded service (NOT grams, milligrams, or number of tablets)

Total charges

Please refer to the Idaho Provider Handbook, Section 3, for additional billing information. This handbook can be accessed online at: http://www2.state.id.us/dhw/medicaid/provhb/s3_hospital.pdf.

For questions regarding billing requirements, please contact EDS (800) 685-3757. Thank you for your continued participation in the Idaho Medicaid Program.

KPA/af

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February Office Closures

The Department of Health and Welfare and EDS offices will be closed for the following State holiday:

Presidents Day, Monday, February 16, 2004

A reminder that MAVIS (the Medicaid Automated Voice Information Service) is available on State holidays at: (800) 685-3757 (toll-free) or (208) 383-4310 (Boise local)

MedicAide is the monthly informational newsletter for Idaho Medicaid providers.

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