Pharmacy Providers

Electronic Billing of Medicare Part D Copay Assistance and Medicare Part D Patient Responsibility for ADAP Formulary Drugs

Effective July 15, 2009, when billing electronic claims for Medicare Part D copay assistance or Medicare Part D patient responsibility for AIDS Drug Assistance Program (ADAP) formulary drugs (Other Coverage Code equal to 8), the Other Amount Claimed Submitted (480-H9) and Gross Amount Due (430-DU) fields must match or claims will deny.

Note: When billing a pharmacy claim for a beneficiary with primary insurance other than a Medicare Part D Plan, please follow the instructions in the General Third Party Payments Provider Manual.

Medicare Part D Copay Assistance
Billing and payment for a beneficiary eligible for Medicare Part D copay is available. Pharmacy providers need to contact their software vendors to determine if any changes are needed. Vendors can use the current Kansas Medical Assistance Program Management Information System Interface Specifications NCPDP Version 1.1 and 5.1 Transaction Payer Sheets document. This is available at https://www.kmap-state-ks.us/Public/EDI/companion.asp under NCPDP.

The following NCPDP fields and associated values are to be used for point of service (POS) and Internet submission of these claims:

Claim Segment
- Other Coverage Code (308-C8) = 8 (Claim is billing for a copay.)

Pricing Segment
- Other Amount Claimed Submitted Count (478-H7) = 1 (One occurrence)
- Other Amount Claimed Submitted Qualifier (479-H8) = 99 (Other)
- Other Amount Claimed Submitted (480-H9) = Patient Responsibility Amount (Amount owed after Medicare Part D and other primary insurance sources have been properly adjudicated.)
- Gross Amount Due (430-DU) = Patient Responsibility Amount (Amount owed after Medicare Part D and other primary insurance sources have been properly adjudicated.)
Medicare Part D Patient Responsibility for ADAP Formulary Drugs

KHPA Medical Programs assists with patient responsibility on ADAP formulary drugs for beneficiaries with the following eligibility:

- ADAP only and entitled to Medicare Part D
- ADAP plus MN with unmet spenddown and entitled to Medicare Part D

*Note:* Patient responsibility is considered any amount owed after Part D and all other primary insurance sources have been properly adjudicated.

Points to Note Regarding ADAP Formulary Drugs

- Assistance with patient responsibility does not apply to full dual eligible beneficiaries.
- Once spenddown is met for medically needy (MN) beneficiaries, they become eligible for full dual benefits and claims should be submitted to the Part D Plan. After adjudication with the Medicare Part D Plan, Medicare Part D copay assistance is applicable.
- KHPA Medical Programs assists with patient responsibility on ADAP formulary drugs only.
- Non-ADAP formulary drugs are the responsibility of the beneficiary.

Billing and payment for patient responsibility on the beneficiaries listed above for an ADAP formulary drug is available through point of sale (POS). Pharmacy providers need to contact their software vendors to assess if any changes are needed.

The following NCPDP fields and associated values are to be used for POS submission of these claims:

**Claim Segment**

- Other Coverage Code (308-C8) = 8 (Claim is billing for a copay.)

**Pricing Segment**

- Other Amount Claimed Submitted Count (478-H7) = 1 (One occurrence)
- Other Amount Claimed Submitted Qualifier (479-H8) = 99 (Other)
- Other Amount Claimed Submitted (480-H9) = Patient Responsibility Amount (Amount owed after Medicare Part D and other primary insurance sources have been properly adjudicated.)
- Gross Amount Due (430-DU) = Patient Responsibility Amount (Amount owed after Medicare Part D and other primary insurance sources have been properly adjudicated.)

The process for billing the Medicare Part D plus ADAPD patient responsibility amount on paper claims has not changed. Please refer to Pharmacy Bulletin 6130 for instructions on how to bill using the paper claim form.

These instructions only apply to Medicare Part D and ADAP beneficiaries. For all other applicable third party liability instructions, please reference the *General Third Party Payments Provider Manual*.

Information about the KHPA Medical Plans as well as provider manuals and other publications are available at https://www.kmap-state-ks.us. For the changes resulting from this provider bulletin, please view the *Pharmacy Provider Manual*, Section 7010, pages 7-7 through 7-12. If you have any questions, please contact Customer Service at 1-800-933-6593 (in-state providers) or 785-274-5990 between 7:30 a.m. and 5:30 p.m., Monday through Friday.
Medicare Part B
Pharmacy providers are required to bill Healthcare Common Procedure Coding System (HCPCS) codes and common procedural terminology (CPT) codes on Medicare Part B designated drugs for Medicare Part B beneficiaries. Providers must be enrolled as a DME provider and supply KMAP with the provider’s Medicare provider number so that the claims will automatically cross over from Medicare. This process must be followed for the coinsurance and deductible to be considered for payment. Refer to the Durable Medical Equipment Provider Manual Section 7000 for detailed billing instructions.
To process these claims correctly, the claim must be billed with only one detail. If more than one detail is billed, the claim will be denied.

Medicare Part D
The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created the Medicare Part D prescription benefit, which took effect January 1, 2006. Medicare D plans are administered entirely by private sector for-profit entities. These private entities, known as Prescription Drug Plans (PDP), will provide pharmacy benefits based on statutory and regulatory requirements. All plans must be approved by the Centers for Medicare & Medicaid Services (CMS) which has oversight responsibility for Medicare Part D.

KMAP considers all Medicare A and/or B beneficiaries entitled to Medicare Part D. Beneficiaries who receive coverage under KMAP and are entitled to Medicare Part D should be enrolled with a PDP. Pharmacy claims for these beneficiaries will deny if the drug is considered a covered Medicare Part D drug covered by Medicare. Any of these drugs should be billed to the beneficiary’s Medicare D PDP or Medicare B carrier for payment.

KMAP will consider for payment the following:
- Medicare excluded drugs covered by KMAP
- Patient responsibility for AIDS Drug Assistance Program (ADAP) formulary drugs when the KMAP beneficiary has ADAP only or ADAP plus medically needy (MN) with unmet spenddown, plus is eligible for Medicare D
- Medicare Part D copay assistance for beneficiaries with full dual eligibility on Medicare Part D drugs

To learn more about each special situation, read the appropriate section below.

Medicare Part D Exclusions
Drug classes that may be noncovered (carved out) by the Part D drug benefit are in the following high-level list. Providers are required to submit claims to the PDP prior to KMAP for all beneficiaries entitled to Part D.

Drugs in the following categories will continue to process according to the KMAP coverage guidelines currently in place. Implementation of the Medicare Part D program has no effect on the drugs currently covered by KMAP for beneficiaries not entitled to Part D coverage. In addition, prior authorization (PA) and medical necessity cannot be used to override the denial of coverage based on the beneficiary being entitled to Medicare Part D.

- **Part D Excluded Drugs**
  - Agents when used to promote fertility
  - Agents when used for anorexia, weight loss or weight gain
  - Agents when used for cosmetic purposes or hair growth
7010. Updated 07/09

- Agents when used for the symptomatic relief of cough and colds
- Prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations
- Nonprescription drugs
- Barbiturates
- Benzodiazepines
- Outpatient drugs for which the manufacturer requires associated tests or monitoring services to be purchased exclusively from the manufacturer or its designee as a condition of sale
- Agents when used for the treatment of sexual or erectile dysfunction (ED) and ED drugs for off-label use

**Drugs Covered by Medicare Parts A and B**
- Drugs currently covered by Medicare Parts A and B should continue to be billed to the Medicare Part A and B carriers.
- Implementation of the Part D program does not change the coverage of drugs currently billed to Parts A and B.

**Medicare Part D Patient Responsibility for ADAP Formulary Drugs**
KMAP assists with patient responsibility on ADAP formulary drugs for beneficiaries with the following eligibility:
1. ADAP only and entitled to Medicare Part D
2. ADAP plus MN with unmet spenddown and entitled to Medicare Part D
3. ADAP only and entitled to Medicare Part D plus other insurance
4. ADAP plus MN with unmet spenddown and entitled to Medicare Part D plus other insurance

*Note:* If other insurance is available, it must be billed first.

*Note:* Patient responsibility is considered any amount owed after Part D and all other primary insurance sources have been properly adjudicated.

**Points to Note Regarding ADAP Formulary Drugs**

- Assistance with patient responsibility does not apply to full dual eligible beneficiaries.
- KMAP considers patient responsibility any amount due after all other insurance sources have been properly adjudicated.
- Once spenddown is met for MN beneficiaries, they become eligible for full dual benefits and claims should be submitted to the Part D Plan. After adjudication with the Medicare Part D Plan, Medicare Part D copay assistance is applicable.
- KMAP assists with patient responsibility on ADAP formulary drugs only.
- Non-ADAP formulary drugs are the responsibility of the beneficiary.
  *Note:* This does not apply to beneficiaries who have full dual eligibility.
- Once spenddown is met, a beneficiary becomes eligible for full dual benefits. Medicare Part D copay assistance is applicable. Follow billing instructions under the Medicare Part D Copay Assistance portion of this section.
How to Bill Medicare Part D Patient Responsibility for ADAP Formulary Drugs Billing Instructions

Billing and payment for patient responsibility on the beneficiaries listed above for an ADAP formulary drug is available through POS. Pharmacy providers need to contact their software vendors to assess if any changes are needed. Vendors can use the current KMAP Management Information System Interface Specifications NCPDP Version 1.1 and 5.1 Transaction Payer Sheets document. This is listed as NCPDP at https://www.kmap-state-ks.us/Public/EDI/companion.asp.

The following NCPDP fields and associated values are to be used for submission of these claims: the methods for billing KMAP the patient responsibility for an ADAP only or ADAP with unmet spenddown beneficiary with Medicare Part D submission to KMAP when no other insurance is applicable:

Claim Segment
- Other Coverage Code (308-C8) = 8 (Claim is billing for a copay.)

Pricing Segment
- Other Amount Claimed Submitted Count (478-H7) = 1 (One occurrence)
- Other Amount Claimed Submitted Qualifier (479-H8) = 99 (Other)
- Other Amount Claimed Submitted (480-H9) = Patient Responsibility Amount (Amount remaining after Medicare Part D and other primary insurance sources have been properly adjudicated.)
- Gross Amount Due (430-DU) = Patient Responsibility Amount (Amount remaining after Medicare Part D and other primary insurance sources have been adjudicated.)

Note: The Other Amount Claimed Submitted (480-H9) and Gross Amount Due (430-DU) fields must match or claims will deny.

The following NCPDP fields and associated values must be part of the patient responsibility for an ADAP beneficiary with Medicare Part D submission to KMAP when other insurance is applicable:

Claim-Segment
- Other Coverage Code (308-C8) = 8 (Claim is billing for a copay.)

Pricing Segment
- Other Amount Claimed Submitted Count (478-H7) = 1 (One occurrence)
- Other Amount Claimed Submitted Qualifier (479-H8) = 99 (Other)
- Other Amount Claimed Submitted (480-H9) = Medicare Part D copay amount
- Gross Amount Due (430-DU) = Medicare Part D copay amount

COB/Other Payments Segment
- Other Payer Amount Paid (431-DV) = Other insurance payment amount

Medicare Part D Copay Assistance
KMAP provides copay assistance to beneficiaries who have both full Medicare Part D entitlement and one of the following:
- Title XIX Medicaid (TXIX)
- Medical needy with no spenddown or spenddown has been already met
The Medicare Part D Copay Assistance does not occur automatically with the submission of the claim to the Medicare Part D drug plan. Billing and payment for a beneficiary who has full dual eligibility for Medicare Part D copay is available via POS to KMAP only.

KMAP pharmacy providers are reimbursed according to the Medicare Part D copay amount billed minus any KMAP copay and the days supply on the claim as listed on the chart below:

<table>
<thead>
<tr>
<th>Days Supply</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-30, up to</td>
<td>5.35</td>
<td>5.60</td>
<td>6.00</td>
</tr>
<tr>
<td>31-60, up to</td>
<td>10.70</td>
<td>11.20</td>
<td>12.00</td>
</tr>
<tr>
<td>61-90, up to</td>
<td>16.05</td>
<td>16.80</td>
<td>18.00</td>
</tr>
</tbody>
</table>

Points to Note Regarding Medicare Part D Copay Assistance
- KMAP will deny Medicare Part D copay claims submitted with a days supply greater than 90.
- KMAP will deny Medicare Part D copay claims submitted for a beneficiary not recognized with full dual eligibility.
- KMAP assistance with the Medicare Part D copay is the lesser of the Medicare Part D copay versus the maximum reimbursement per day’s supply. For example, if the Medicare Part D copay is $3.45 for a 30-day supply, KMAP will pay up to $3.45 (and not $6.00) minus any KMAP copay. If the Medicare Part D copay is $6.00 for a 30-day supply, KMAP will pay $6.00 minus any KMAP copay.
- Instances may occur where beneficiaries have Medicare Part D copay amounts greater than the standard allowed. Several variables could cause this situation. For instance, the Prescription Drug Plan (PDP) does not have the beneficiary coded with full dual eligibility. Providers should continue to follow the current process for resolving these issues.
- Instances may occur where KMAP’s assistance with the Medicare Part D copay is reduced to zero or to a low amount (such as $0.10) due to the KMAP copay. In this situation, you are not required to submit the copay assistance claim to KMAP. However, if you decline to submit it, this must be considered a write-off. The beneficiary is not to be charged the KMAP assistance portion of the copay.

How to Bill the Medicare Part D Copay Assistance
Billing and payment for a beneficiary eligible for Medicare Part D copay is available via POS only. KMAP pharmacy providers need to contact their software vendors to assess if any changes are needed. Vendors will find the current Kansas Medical Assistance Program Management Information System Interface Specifications NCPDP Version 1.1 and 5.1 Transaction Payer Sheets document helpful. This is listed as NCPDP and located at https://www.kmap-state-ks.us/Public/EDI/companion.asp.

The following NCPDP fields and associated values are to be used for submission of these claims must be part of a Medicare Part D copay submission to KMAP:

Claim Segment
- Other Coverage Code (308-C8) = 8 (Claim is billing for a co-pay.)

Pricing Segment
- Other Amount Claimed Submitted Count (478-H7) = 1 (One occurrence)
• Other Amount Claimed Submitted Qualifier (479-H8) = 99 (Other)
• Other Amount Claimed Submitted (480-H9) = Patient Responsibility Amount (Amount remaining after Medicare Part D and other primary insurance sources have been properly adjudicated.)
• Gross Amount Due (430-DU) = Patient Responsibility Amount (Amount remaining after Medicare Part D and other primary insurance sources have been adjudicated.)

**Note:** The Other Amount Claimed Submitted (480-H9) and Gross Amount Due (430-DU) fields must match or claims will deny.

The above fields and associated values for a Medicare Part D copay submission comply with the adopted recommendation from the May 2001 Telecommunication Work Group. Contact your software vendor for additional information on all fields to submit this type of transaction.

**Payment Response from KMAP for a Medicare Part D Copay Assistance**

KMAP providers can expect to receive the KMAP amount paid for the Medicare Part D copay in the Total Amount Paid field (509-F9). Any remaining patient responsibility or KMAP copay will be returned in the Patient Pay Amount field (505-F5).

**Primary Insurance Other Than Medicare Part D**

KMAP continues to consider payment of any unpaid allowed charges by the primary insurance and not the copay from the primary insurance. Therefore, no changes are required to the current billing process when pharmacy providers bill KMAP primary insurance paid claims (excluding Medicare Part D as primary). KMAP’s continued billing expectation is for claims with a primary insurance payment to indicate the Other Coverage Code value of 2, the amount the primary insurance paid is entered in the Other Payer Amount Paid field, and the same amounts billed to the primary insurance for the Gross Amount Due and Usual & Customary fields are billed to KMAP.

**Inability to Pay Copay**

Kansas Legislature provided limited funds to assist with eligible Medicare Part D copays. Since this assistance is funded through All State Funds, providers may refuse service when a beneficiary cannot pay any leftover Medicare Part D copay after KMAP has applied the maximum allowed for Medicare Part D copay per your provider agreement.

**Notes:**
- This rule applies only when KMAP assists with Medicare Part D copay.
- Providers cannot refuse service for a beneficiary’s inability to pay his or her copay for all other KMAP paid services. Refer to the *General Third Party Payments Provider Manual*, Section 3000, for more information.

**Submission of NPIs**

Previously, prescribing providers may have been identified by the DEA number or KMAP provider ID. They must now be identified by the NPI on all electronic claims. Previously, pharmacy providers may have been identified by KMAP provider ID. Pharmacy providers must now be identified by the NPI on all electronic claims.
Submission of Prescribing Provider Identifier

Pharmacy providers must submit all electronic claims with the prescribing provider’s unique NPI. Paper claims must be submitted with the prescribing provider’s NPI or KMAP provider ID. The following information is required for KMAP pharmacy claims:

- **POS:** Submit the NPI qualifier (01) in the Prescriber ID Qualifier field (466-EZ). Submit the prescriber’s NPI in the Prescriber ID field (411-DB).
- **Internet:** Submit the prescriber’s NPI in the Prescriber NPI field.
- **Provider Electronic Solutions (PES):** Submit the prescriber’s NPI in the Prescriber NPI field.
- **Paper:** Submit the prescribing provider’s NPI or KMAP provider ID in the Prescribing Physician Medicaid Number field (field 8).

Pharmacy providers can search for a prescribing provider’s NPI using the secured KMAP Web site. Only the NPIs for KMAP-enrolled prescribing providers who have shared their NPI with KMAP are available. This feature is available to users associated with a provider ID enrolled as a pharmacy provider type.

To search for a prescribing provider’s NPI, follow the steps below:

1. Log on to the secured KMAP Web site.
2. Click Prescribing NPI Search.
3. Select the prescribing provider type (physician, advance practice nurse, dentist, mid-level practitioner, optometrist, or podiatrist).
   
   *Note:* The search can be narrowed by entering the provider’s last name or beginning characters of the last name, city, or ZIP code. The county and state can also be selected from drop-down lists.
4. Click Search to display the results. The prescribing provider’s name, phone number, and NPI are included in the results.