

To:

Dispensing
Physicians

Federally Qualified
Health Centers

Pharmacies

HMOs and Other
Managed Care
Programs

Effective dates for claims submission and prior authorization changes as a result of HIPAA for retail pharmacies dispensing drugs and biologics

This *Wisconsin Medicaid and BadgerCare Update* provides specific effective dates for the changes that will be implemented by Wisconsin Medicaid as a result of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) for retail pharmacies dispensing drugs and biologics.

This *Update* gives implementation dates for all retail pharmacies dispensing drugs and biologics, whether they exchange information with Wisconsin Medicaid on paper or electronically.

This *Wisconsin Medicaid and BadgerCare Update* provides specific effective dates for the changes that will be implemented by Wisconsin Medicaid as a result of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) for retail pharmacies dispensing drugs and biologics. These dates apply to the claims submission and prior authorization changes described in the August 2003 *Update* (2003-84), titled “Changes to claims and prior authorization for retail pharmacies dispensing drugs and biologics as a result of HIPAA.” This *Update* makes frequent reference to *Update* 2003-84; providers are encouraged to read this *Update* alongside *Update* 2003-84.

This *Update* gives implementation dates for all retail pharmacies dispensing drugs and biologics, whether they exchange information with Wisconsin Medicaid on paper or electronically. Failure to follow the effective dates that are provided in this *Update* may result in claim denials and returned or denied requests for prior authorization.

Attention: Advice for providers

Wisconsin Medicaid recognizes that this is a difficult time for providers with the nationwide implementation of HIPAA in October 2003. Providers are cautioned to pay close attention to the deadlines and requirements outlined in this *Update*, which are necessary to assure a smooth transition to the HIPAA standards. Providers should allow additional time to adjust to the new billing requirements and systems changes. Providers may experience a temporary delay in the payment of claims due to increased billing errors and system changes near the federal compliance date of October 16, 2003, as Wisconsin Medicaid, other payers, and providers implement the HIPAA requirements and billing standards.

Retail pharmacy providers should also refer to the following *Updates* for more information on effective dates for dispensing nondrug items:

- *Clozapine management services* — The August 2003 *Update* (2003-89), titled “Effective dates for claims submission changes as a result of HIPAA for clozapine management services.”
- *Disposable medical supplies* — The August 2003 *Update* (2003-125), titled “Effective dates for claims submission and prior authorization changes as a result of HIPAA for disposable medical supplies.”
- *Durable medical equipment* — The August 2003 *Update* (2003-136), titled “Effective dates for claims submission and prior authorization changes as a result of HIPAA for durable medical equipment.”
- *Enteral nutrition products* — The August 2003 *Update* (2003-109), titled “Effective dates for claims submission and prior authorization changes as a result of HIPAA for enteral nutrition products.”

Note: Although this *Update* refers to Wisconsin Medicaid only, all information applies to BadgerCare and SeniorCare also.

Providers should note the way the various changes will be implemented. Changes as a result of HIPAA will be implemented based on:

- **Date of service.** For changes implemented based on the date of service, the important question to ask is: “**When was the service performed?**”
- **Date of receipt by Wisconsin Medicaid.** For changes implemented based on the date of receipt, the important question to ask is: “**When will this claim or request for prior authorization be received by Wisconsin Medicaid?**” Providers should allow enough time for mail delivery when meeting the deadlines identified in this publication.

Effective dates for national codes that will replace Wisconsin Medicaid local codes, revised claim forms and instructions, and revised prior authorization (PA) forms and instructions are addressed separately in this *Update*. Codes, claims, and prior authorizations have different implementation procedures.

Medical and nonmedical codes

Codes fit into two categories, medical codes and nonmedical codes. Medical codes describe specific health care conditions and services while nonmedical codes describe general administrative situations.

Medical and nonmedical codes are implemented based on **dates of service** or **date of receipt**, respectively, as required by federal HIPAA regulations.

Medical codes

Changes to medical codes, as indicated in *Update* 2003-84, will be effective for dates of service on and after October 1, 2003. National medical codes used by Wisconsin Medicaid include Healthcare Common Procedure Coding System codes that replace the Wisconsin Medicaid local code for condoms.

Note: Wisconsin Medicaid will continue to accept local drug codes “00990000000,” “88888888888,” and “88888000007” after October 1, 2003. Refer to *Update* 2003-84 for more information.

Pre-HIPAA medical codes include local drug codes.

Nonmedical codes

Changes to nonmedical codes, as indicated in *Update* 2003-84, will be implemented based on the **date of receipt**. For nonmedical codes received on paper claims and paper requests for prior authorization, the changes will be

Codes, claims, and prior authorizations have different implementation procedures.

For electronic claims received by Wisconsin Medicaid between October 1, 2003, and October 10, 2003, providers must use pre-HIPAA claims submission software, pre-HIPAA nonmedical codes, and medical codes as appropriate to the date of service.

effective on and after October 1, 2003. For nonmedical codes received on electronic claims, the changes will be effective on and after October 13, 2003. National nonmedical codes used by Wisconsin Medicaid include the following National Council for Prescription Drug Program (NCPDP) codes and values:

- Unit dose code descriptions are consistent with NCPDP unit dose descriptions.
- Dispense as written codes replace maximum allowed cost (MAC) codes.
- Patient location codes replace place of service codes.
- Other coverage code descriptions are consistent with NCPDP descriptions.
- Drug Utilization Review (DUR) codes are consistent with NCPDP descriptions.
- NCPDP Reject codes.

Claims submission

Different implementation dates will be used for electronic and paper claims. A calendar of HIPAA implementation dates for electronic and paper claims is included in Attachment 1 of this *Update*.

Electronic claims submission

For electronic claims received by Wisconsin Medicaid on and after October 13, 2003, providers must use:

- The NCPDP Telecommunications Standard Format Version 5.1 B1 billing and B2 reversal transactions for drugs and biologics. Refer to the Medicaid Web site at www.dhfs.state.wi.us/medicaid/ for the NCPDP 5.1 companion document.
- The 837 Health Care Claim: Professional transaction, commonly known as the 837P for nondrug items. Refer to the Medicaid Web site at www.dhfs.state.wi.us/medicaid/ for the 837P companion document.
- National nonmedical codes.

- Pre-HIPAA medical codes for dates of service before October 1, 2003.
- National medical codes for dates of service on and after October 1, 2003.

Note: For electronic claims received by Wisconsin Medicaid between October 1, 2003, and October 10, 2003, providers must use pre-HIPAA claims submission software, pre-HIPAA nonmedical codes, and medical codes as appropriate to the date of service. Wisconsin Medicaid will not accept electronic claims on October 11 and 12, 2003.

Paper claims submission

For paper claims received by Wisconsin Medicaid on and after October 1, 2003, providers must use:

- HIPAA Noncompound Drug Claim form and Completion Instructions (refer to Attachments 1 and 2 of *Update* 2003-84).
- HIPAA Compound Drug Claim form and Completion Instructions (refer to Attachments 3 and 4 of *Update* 2003-84).
- HIPAA CMS 1500 claim instructions for non-drug items (refer to the appropriate service-specific *Update* listed previously).
- National nonmedical codes.
- Pre-HIPAA medical codes for dates of service before October 1, 2003.
- National medical codes for dates of service on and after October 1, 2003.

Refer to Attachment 3 of this *Update* for claims submission examples for retail pharmacies dispensing drugs and biologics.

Claim adjustments/reversals

For reversal transactions received on and after October 13, 2003, providers must use:

- The electronic NCPDP 5.1 B2 reversal transaction (refer to the Medicaid Web site at www.dhfs.state.wi.us/medicaid/ for the NCPDP 5.1 companion document).
- National nonmedical codes.

- Pre-HIPAA medical codes for dates of service before October 1, 2003.
- National medical codes for dates of service on and after October 1, 2003.

Refer to Attachment 4 of this *Update* for reversal examples.

Paper claim adjustments

For paper claim adjustments received on and after October 1, 2003, providers must use:

- The Adjustment/Reconsideration Request form and completion instructions; the use of this form is voluntary. Providers may develop their own form as long as it includes all the information on this form and is formatted exactly like this form. (Refer to the June 2003 *Update* [2003-31], titled “Changes to the Wisconsin Medicaid Adjustment Request form and instructions,” for more information about paper claim adjustments.)
- National nonmedical codes.
- Pre-HIPAA medical codes for dates of service before October 1, 2003.
- National medical codes for dates of service on and after October 1, 2003.

Refer to Attachment 5 of this *Update* for examples of claim adjustment requests.

Prior authorization

Refer to Attachment 2 of this *Update* for a calendar of HIPAA implementation dates for prior authorization. As indicated on the calendar, the fax deadline for receiving requests for prior authorization using the pre-HIPAA PA forms is 11:59 p.m. on September 30, 2003.

New requests for prior authorization

For new requests for prior authorization received by Wisconsin Medicaid on and after October 1, 2003, (with future dates of service) providers must use:

- The revised PA forms and instructions (refer to Attachments 8-11 of *Update* 2003-84).
- National nonmedical codes.
- National medical codes for dates of service on and after October 1, 2003.

Refer to Attachment 6 of this *Update* for examples of new requests for prior authorization.

Requests for prior authorization with backdating

For requests for prior authorization with backdating received by Wisconsin Medicaid on and after October 1, 2003, providers must use:

- The revised PA forms and instructions (refer to Attachments 8-11 of *Update* 2003-84).
- National nonmedical codes.
- National medical codes for dates of service on and after October 1, 2003.

Refer to Attachment 7 of this *Update* for examples of requests for prior authorization with backdating.

Requests for prior authorization currently in process

For returned PA requests that are received by Wisconsin Medicaid on and after October 1, 2003, providers must use:

- The revised Prior Authorization Request Form (PA/RF) and instructions. Providers will not be required to submit new PA attachments; however, the pre-HIPAA PA/RF and the pre-HIPAA PA attachments must accompany the new PA/RF. (Refer to Attachment 8 of *Update* 2003-84 for the revised PA/RF instructions.)
- National nonmedical codes.
- National medical codes for dates of service on and after October 1, 2003.

As indicated on the calendar, the fax deadline for receiving requests for prior authorization using the pre-HIPAA PA forms is 11:59 p.m. on September 30, 2003.

A separate *Update* will address changes to Specialized Transmission Approval Technology-Prior Authorization (STAT-PA) as a result of HIPAA.

Prior authorization amendments

For prior authorization amendments received by Wisconsin Medicaid on and after October 1, 2003, providers must use:

- National nonmedical codes.
- National medical codes for dates of service on and after October 1, 2003.

STAT-PA

A separate *Update* will address changes to Specialized Transmission Approval Technology-Prior Authorization (STAT-PA) as a result of HIPAA. The *Update* will also address specific effective dates for the various changes to STAT-PA.

Electronic transactions

A calendar that reflects the various implementation dates for electronic transactions is provided in Attachment 1 of this *Update*.

Electronic transactions received by Wisconsin Medicaid

The following are the implementation dates for electronic transactions received by Wisconsin Medicaid:

- The deadline for pre-HIPAA claims received on magnetic cartridge is **3:00 p.m. on October 8, 2003**.
- The deadline for pre-HIPAA claims, including NCPDP versions 3.2, 3C, or 4.0, or claims received by the Electronic Data Interchange (EDI) department is **noon on October 10, 2003**.
- Wisconsin Medicaid will begin accepting the NCPDP 5.1 B1 billing and B2 reversal transactions on **October 13, 2003**.

Electronic transactions received and sent by Wisconsin Medicaid

Wisconsin Medicaid will begin accepting and sending the 270/271 Health Care Eligibility Inquiry transaction on **October 13, 2003**.

Electronic transactions sent by Wisconsin Medicaid

Wisconsin Medicaid will begin sending the TA1 Interchange Acknowledgment and the 997 Functional Acknowledgment on **October 13, 2003**.

Electronic transactions available from Wisconsin Medicaid

The 835 Health Care Claim Payment/Advice will be available from Wisconsin Medicaid on and after **October 20, 2003**.

Obtaining information

For questions about this *Update*, providers may call Provider Services at (800) 947-9627 or (608) 221-9883.

Information regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service information and applies to providers of services to recipients who have fee-for-service Medicaid. Since HIPAA impacts all health care payers, it is important to know that HIPAA changes, including changes from local procedure codes to national procedure codes, will also have an impact on Medicaid HMOs. For questions related to Medicaid HMOs or managed care HIPAA-related changes, contact the appropriate managed care organization.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients and SeniorCare participants also.

Wisconsin Medicaid, BadgerCare, and SeniorCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at www.dhfs.state.wi.us/medicaid/.

ATTACHMENT 1

Calendar of HIPAA implementation for claims submission for retail pharmacies dispensing drugs and biologics

September/October 2003						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 (September)	29	30 Paper claims: Last day Wisconsin Medicaid will accept pre-HIPAA* paper drug claims and instructions.	1 (October) Paper claims: Wisconsin Medicaid will begin accepting HIPAA paper drug claims and instructions.	2	3	4
5	6	7	8 Electronic claims: Last day Wisconsin Medicaid will accept pre-HIPAA claims on magnetic cartridge.	9	10 Electronic claims: Last day Wisconsin Medicaid will accept Electronic Media Claims and pre-HIPAA Point-of-Sale claims, including NCPDP** versions 3.2, 3C, or 4.0.	11 Electronic claims: System unavailable for Point-of-Sale claims. (Actual hours of operation will be published at a later date.)
12 Electronic claims: System unavailable for Point-of-Sale claims. (Actual hours of operation will be published at a later date.)	13 Electronic claims: Providers may begin submitting NCPDP 5.1 billing and reversal transactions. Wisconsin Medicaid will begin accepting the 837 Health Care Claim: Professional transaction. Wisconsin Medicaid will begin accepting and sending the 270/271 Health Care Eligibility Inquiry transaction. Wisconsin Medicaid will begin sending the TA1 Interchange Acknowledgment and the 997 Functional Acknowledgment transactions.	14	15	16	17	18
19	20 Remittance and status: The 835 Health Care Claim Payment/Advice will be available from Wisconsin Medicaid.	21	22	23	24	25

*HIPAA = Health Insurance Portability and Accountability Act of 1996.

**NCPDP = National Council for Prescription Drug Program

ATTACHMENT 2

Calendar of HIPAA implementation for prior authorization for retail pharmacies dispensing drugs and biologics

September/October 2003						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 (September)	29	30 Last day Wisconsin Medicaid will accept the pre-HIPAA* prior authorization (PA) forms. Fax deadline — 11:59 p.m.	1 (October) Wisconsin Medicaid will begin accepting revised PA forms.	2	3	4

*HIPAA = Health Insurance Portability and Accountability Act of 1996.

Note: A separate *Wisconsin Medicaid and BadgerCare Update* will address changes to Specialized Transmission Approval Technology-PA (STAT-PA) as a result of HIPAA. The *Update* will also address specific effective dates for the various changes to STAT-PA.

ATTACHMENT 3

Claims submission examples for retail pharmacies dispensing drugs and biologics

Examples of claims submission before and after the implementation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) are illustrated below.

For example, if both of the following are true:		Then use the following:		
Date of service	Date of receipt	Paper claim instructions	Electronic claims submission	Codes
9/1/03	9/30/03	Pre-HIPAA claim instructions	Any pre-HIPAA claims submission software, including National Council for Prescription Drug Program (NCPDP) versions 3.2, 3C, and 4.0	<ul style="list-style-type: none"> • Pre-HIPAA nonmedical codes. • Pre-HIPAA medical codes.
9/30/03	10/14/03	HIPAA claim instructions	NCPDP 5.1 B1 billing and B2 reversal transactions	<ul style="list-style-type: none"> • National nonmedical codes. • Pre-HIPAA medical codes.
10/14/03	11/1/03	HIPAA claim instructions	NCPDP 5.1 B1 billing and B2 reversal transactions	<ul style="list-style-type: none"> • National nonmedical codes. • National medical codes.

For the following examples, the item dispensed was male condoms provided by a retail pharmacy.

If both of the following are true:		Then use the following:			
Date of service	Date of receipt	Paper claims submission	Electronic claims submission	Place of service code/Patient location code	Procedure code
9/1/03	9/30/03	Pre-HIPAA Non-Compound Drug Claim	Point-of-Sale (NCPDP versions 3.2, 3C, and 4.0)	00	92000100012
9/30/03	10/14/03	HIPAA Non-Compound Drug Claim and instructions	Point-of-Sale (NCPDP version 5.1)	00	92000100012
10/14/03	11/1/03	HIPAA CMS 1500 Claim and instructions	837 Health Care Claim: Professional transaction, commonly known as the 837P (including claims submitted using Provider Electronic Solutions [PES] software)	99	A4267

ATTACHMENT 4

NCPDP 5.1 reversal examples for retail pharmacies dispensing drugs and biologics

Examples of claims adjustments before and after the implementation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) are illustrated below.

For example, if both of the following are true:		Then use the following:	
Date claim was paid	Date of reversal	National Council of Prescription Drug Programs (NCPDP) version	Codes
9/1/03	9/30/03	NCPDP versions 3.2, 3C, or 4.0	<ul style="list-style-type: none"> • Pre-HIPAA nonmedical codes. • Pre-HIPAA medical codes.
9/30/03	10/14/03	NCPDP version 5.1 B2 reversal transaction	<ul style="list-style-type: none"> • National nonmedical codes. • Pre-HIPAA medical codes.
10/14/03	11/1/03	NCPDP version 5.1 B2 reversal transaction	<ul style="list-style-type: none"> • National nonmedical codes. • National medical codes.

ATTACHMENT 5

Claim adjustment examples for retail pharmacies dispensing drugs and biologics

Examples of claims adjustments before and after the implementation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) are illustrated below.

For example, if both of the following are true:		Then use the following:	
Original date of service	Date adjustment received	Paper Adjustment Request form*	Codes
9/1/03	9/30/03	Pre-HIPAA form	<ul style="list-style-type: none"> • Pre-HIPAA nonmedical codes. • Pre-HIPAA medical codes.
9/30/03	10/14/03	Adjustment/Reconsideration Request form and completion instructions	<ul style="list-style-type: none"> • National nonmedical codes. • Pre-HIPAA medical codes.
10/14/03	11/1/03	Adjustment/Reconsideration Request form and completion instructions	<ul style="list-style-type: none"> • National nonmedical codes. • National medical codes.

*Refer to the June 2003 *Wisconsin Medicaid and BadgerCare Update* (2003-31), titled "Changes to the Wisconsin Medicaid Adjustment Request form and instructions," for more information about paper claim adjustments.

ATTACHMENT 6

Examples of requests for prior authorization for retail pharmacies dispensing drugs and biologics

Examples of new requests for prior authorization before and after the implementation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) are illustrated below.

For example, if both of the following are true:		Then use the following:	
Date of receipt	Requested start date	Prior authorization (PA) forms and instructions	Codes
9/1/03	9/30/03	Pre-HIPAA PA forms and instructions	Pre-HIPAA nonmedical codes
9/30/03	10/14/03	Pre-HIPAA PA forms and instructions	Pre-HIPAA nonmedical codes
10/14/03	11/1/03	Revised PA forms and instructions	National nonmedical codes

For the following examples, the item to be dispensed is panretin 0.1% gel.

For example, if both of the following are true:		Then use the following:		
Date of receipt	Requested start date	PA forms and instructions	Procedure code (National Drug Code)	Place of service code (Patient location code)
9/1/03	9/30/03	Pre-HIPAA PA forms and instructions	64365-0501-01	0
9/30/03	10/14/03	Pre-HIPAA PA forms and instructions	64365-0501-01	0
10/14/03	11/1/03	Revised PA forms and instructions	64365-0501-01	00

ATTACHMENT 7

Examples of requests for prior authorization with backdating for retail pharmacies dispensing drugs and biologics

Examples of requests for prior authorization with backdating before and after the implementation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) are illustrated below.

For example, if both of the following are true:		Then use the following:	
Date of receipt	Date the service was provided	Prior authorization (PA) forms and instructions	Codes
9/30/03	9/20/03 and 9/25/03	Pre-HIPAA PA forms and instructions	Pre-HIPAA nonmedical codes
10/03/03	9/20/03 and 9/25/03	Revised PA forms and instructions	National nonmedical codes
10/03/03	9/25/03 and 10/02/03	Revised PA forms and instructions	National nonmedical codes
10/19/03	10/10/03 and 10/14/03	Revised PA forms and instructions	National nonmedical codes