wisconsin Medicaid update and BadgerCare

March 2004 ● No. 2004-15

Wisconsin Medicaid and BadgerCare Information for Providers

To:
Pharmacies
HMOs and Other Managed Care Programs

Pharmacy real-time claims processing changes and billing reminders

Wisconsin Medicaid is making changes to the pharmacy real-time claims processing responses to be implemented in the pharmacy point-of-sale (POS) system on April 24, 2004.

Note: Providers should work closely with their software vendors to determine how changes listed in this *Wisconsin Medicaid and BadgerCare Update* will affect their pharmacy system.

Wisconsin Medicaid is making changes to the pharmacy real-time claims processing responses in the pharmacy point-of-sale (POS) system to be implemented on April 24, 2004. The information in this *Wisconsin Medicaid and BadgerCare Update* also applies to pharmacy providers of the Wisconsin Chronic Disease Program (WCDP) and SeniorCare.

Refer to the Wisconsin Medicaid Companion Document to HIPAA Implementation Guide: NCPDP 5.1 (Rev. 4/24/04) (commonly known as the Payer Sheet) and 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," for more information.

Wisconsin Chronic Disease Program software vendors should refer to their separate WCDP Companion Document to HIPAA Implementation Guide: NCPDP 5.1 on the WCDP Web site at *dhfs.wisconsin.gov/wcdp/* for more information.

Wisconsin Medicaid will implement the following changes for claims processed on and after April 24, 2004:

- Real-time claim response changes.
- Recipients with other health insurance benefits changes.
- Drug Utilization Review/Pharmacy Professional Services (DUR/PPS) level of effort field changes.

The following sections discuss these changes in further detail.

Real-time claim response changes

Wisconsin Medicaid will be sending a variable length response on real-time POS claims. Blank default fields will no longer be returned on real-time claim responses.

With updates to the pharmacy real-time claim and reversal responses, WCDP captured responses will now reflect the usual and customary amount of a submitted claim.

Billing reminder for coordination of other health insurance benefits

The following information applies to both real-time and paper claim submissions.

When a recipient has other commercial health insurance coverage and a claim does not reflect the outcome of the other health insurance in the "Other Coverage code" fields, providers will receive Explanation of Benefits (EOB) message 920 with each claim submission, stating "Denied. A discrepancy exists between the other coverage indicator submitted and the other coverage information on file for the recipient. Please verify and resubmit."

Commercial HMO

When a pharmacy is not part of a recipient's commercial HMO network, Wisconsin Medicaid cannot be billed for a service in accordance with HFS 106.03(7)(k), Wis. Admin. Code. Providers should direct recipients to their HMO customer service to locate a network provider.

Medicare

Pharmacy providers are required to be Medicare certified if they provide a Medicare-covered service to a dual entitlee. (A dual entitlee is a recipient eligible for both Medicare and Wisconsin Medicaid.) If the provider is not Medicare certified, the provider should refer the dual entitlee to another Medicaid provider who is also Medicare certified.

Reminder of billing requirements for Drug Utilization Review/Professional Pharmacy Services level of effort on compound drug claims

When submitting a claim to Wisconsin Medicaid for a compound drug, information in three fields is necessary to ensure that the claim is processed as a compound drug claim. Indicate the following information in these fields:

- Indicate a level of effort code in the DUR/PPS field.
- Indicate a "2" in the Compound code field in the claim segment.
- Indicate an "8" in the Submission Clarification code field in the claim segment.

When a pharmacy is not part of a recipient's commercial HMO network, Wisconsin Medicaid cannot be billed for a service in accordance with HFS 106.03(7)(k), Wis. Admin. Code.

The following codes should *not* be indicated in the DUR/PPS segment when submitting a claim for a compound drug. If these fields are submitted, compound drug preparation time will not be reimbursed:

- Reason for service code.
- Professional service code.
- Result of service code.

These fields are necessary for Pharmaceutical Care billing and prospective DUR references.

If these fields are submitted to Wisconsin Medicaid, providers will receive EOB message 089, stating "Denied. Missing or invalid level of effort and/or reason for service code, professional service code, result of service code billed in error."

A current listing of EOB messages can be located in *Update* 2003-84.

Compound drug billing requirements can be located in *Update* 2003-84 or the Claims Submission section of the Pharmacy Handbook.

Software testing with Wisconsin Medicaid

Pharmacy providers may test POS software response format changes with Wisconsin Medicaid from April 2, 2004, to April 16, 2004.

Providers should work closely with their software vendors, information technology staff, and software user guides to verify that POS claims are submitted accurately according to the Wisconsin Medicaid Companion Document to HIPAA Implementation Guide: NCPDP 5.1. This document is available on the Medicaid Web site at *dhfs.wisconsin.gov/medicaid/*. The NCPDP 5.1 Implementation Guide is available from the NCPDP Web site at *www.ncpdp.org/*.

Providers interested in software testing should contact their software vendor to coordinate testing.

Providers and their software vendors are encouraged to contact the Wisconsin Electronic Data Interchange (EDI) Department for a test packet prior to the testing dates. For more information about the Wisconsin EDI Department or testing, providers may call the Wisconsin EDI Department at (608) 221-9036 or e-mail *wiedi@dhfs.state.wi.us*.

Information regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *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 and BadgerCare 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 *dhfs.wisconsin.gov/medicaid/*.

PHC 1250