

To:  
Blood Banks  
Dispensing  
Physicians  
Pharmacies  
HMOs and Other  
Managed Care  
Programs

## Submitting Claims in Conjunction with Medicare Drug Discount Cards

Effective for dates of service on and after June 1, 2004, SeniorCare participants with incomes greater than 200 percent of the Federal Poverty Level may be eligible to receive a Medicare-approved drug discount card.

A Medicare drug discount card program was included in the federal Medicare Prescription Drug Improvement and Modernization Act of 2003 as a means to provide seniors with immediate assistance with their prescription drug costs before a comprehensive Medicare drug benefit begins in 2006.

Effective for dates of service on and after June 1, 2004, SeniorCare participants with incomes greater than 200 percent of the Federal Poverty Level (FPL) may be eligible for a Medicare-approved drug discount card. The Centers for Medicare and Medicaid Services (CMS) and Wisconsin are collaborating to determine individuals who may or may not be eligible for a drug discount card. Individuals may apply for a drug discount card as early as May 3, 2004; however, claims may be submitted to Medicare on and after June 1, 2004.

The following individuals are *not* eligible to receive a drug discount card:

- Wisconsin Medicaid recipients.
- BadgerCare recipients.
- SeniorCare participants with incomes less than 200 percent of the FPL (i.e., SeniorCare participants in Levels 1 and 2a).

SeniorCare participants in Level 2b may be eligible to receive a drug discount card; however, participants in this level currently receive a discount of approximately 25 percent on the price of drugs until their deductibles are met. Once their deductibles are met, participants in Level 2b receive full coverage of drug benefits and copayments of \$5 or \$15 per prescription.

SeniorCare participants in the Level 3 spenddown may also be eligible to receive the drug discount card. There is no discount on drug costs during the spenddown; however, once the spenddown is completed, SeniorCare participants in Level 3 receive a discount of approximately 25 percent on the price of drugs until their deductibles are met. Once their deductibles are met, participants in Level 3 receive full coverage of drug benefits and copayments of \$5 or \$15 per prescription.

Providers are reminded that a SeniorCare participant's level of participation may change as a result of the annual SeniorCare reapplication and renewal process.

*Note:* Although references to Medicare are included in this *Wisconsin Medicaid and BadgerCare Update*, Medicare-approved private organizations will offer the drug discount cards.

### Claims Submission

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

When presented with a drug discount card, providers can follow Medicare guidelines for claims submission. After a claim has been submitted to Medicare for prescriptions purchased with the drug discount card, providers can submit a claim to SeniorCare using SeniorCare coordination of benefits procedures.

Providers are required to submit claims to Medicare prior to submitting claims to SeniorCare for Medicare-covered drugs provided to participants eligible for Medicare. When submitting these claims, the following information must be included in National Council for Prescription Drug Programs (NCPDP) Telecommunication Standard Format Version 5.1 fields:

- The NCPDP other coverage code in the "Other Coverage" field. Refer to the SeniorCare section of the Pharmacy Handbook for NCPDP other coverage codes.
- The amount due after the Medicare discount in the "Patient Paid Amount" field.

Refer to Example 4 in the Attachment of this *Update* for a Medicare drug discount claim example.

### Medicare Certification

Pharmacy providers are required to be Medicare certified if they provide a Medicare-covered service to a participant eligible for Medicare. If the pharmacy provider is not Medicare certified, the provider should refer the participant to another Medicaid provider who is also Medicare certified.

### For More Information

For information on the Medicare drug discount card, providers can refer to the CMS Web site at [www.cms.hhs.gov/](http://www.cms.hhs.gov/) or the Medicare Web site at [www.medicare.gov/](http://www.medicare.gov/).

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 [dhfs.wisconsin.gov/medicaid/](http://dhfs.wisconsin.gov/medicaid/).

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# ATTACHMENT

## Coordination of Benefits Claim Examples

The following table provides examples to assist pharmacies that submit real-time claims through the Point-of-Sale system. In all of these examples, the usual and customary charge is \$125.

Other Coverage Plan Type		Other Insurance Determination	"Other Coverage" Field	Amount to Be Entered in "Other Payor Amount" Field	Amount to Be Entered in "Patient Paid Amount" Field*
Example 1	Deductible plan	Other insurance applied \$100 to deductible, paid \$25.	2	\$25	\$100
Example 2	Coinsurance plan (80/20)	Other insurance plan rate is \$100, plan pays \$80, coinsurance is \$20.	2	\$80	\$20
Example 3	Copayment plan	Other insurance plan rate is \$75, plan pays \$70, copayment is \$5.	2	\$70	\$5
Example 4	Medicare drug discount card	A discount of \$30 is provided. This is <i>not</i> an automatic discount. A claim must first be filed to Medicare in order to determine the discounted amount.	1	\$0	\$95
Example 5	Discount card	A discount of \$25 is provided. This is an automatic discount. A claim is <i>not</i> filed with a discount card.	1	\$0	\$100
Example 6	100 percent copayment plan	No payment made, plan discounts the price of the drug to \$95.	4	\$0	\$95
Example 7	Miscellaneous plan	Other insurance pays \$95, coinsurance/copayment is \$30.	2	\$95	\$30
Example 8	Insurance plan and a discount card	Other insurance denies the claim. A discount card is also presented giving a \$10 discount.	0	\$0	\$115
Example 9	Miscellaneous plan	Other insurance denies the claim, no payment made.	0	\$0	\$0

\*For real-time claims submission, the "Patient Paid Amount" field may be labeled differently depending on the provider's system (e.g., copay, spenddown, or patient price).

*Note:* If the provider fails to indicate or provide the "Patient Paid Amount" field with the participant's out-of-pocket expense after the other coverage determination is made, coordination of benefits will be based solely on the amount present in the "Other Payor Amount" field. The participant's out-of-pocket expense is determined from the primary insurance copayment or deductible and is indicated in the "Patient Paid Amount" field.

For a listing of "Other Coverage" field codes and their descriptions, refer to the Coordination of Benefits section of the Pharmacy Handbook.