



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

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EXECUTIVE COMMISSIONER

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**** Important Claims Processing Information **** **Medicaid/CHIP Managed Expansion Begins March 1, 2012**

Beginning March 1, 2012, most Medicaid clients and all Children's Health Insurance Program (CHIP) clients will obtain their pharmacy benefits through a managed care plan. Prescription drug benefits, currently administered through the Vendor Drug Program (VDP), will be delivered through the Medicaid and CHIP managed care organizations (MCOs). Each MCO will contract with a pharmacy benefits manager (PBM) that will process prescription claims. The PBMs will contract and work with pharmacies that actually dispense medications to CHIP and Medicaid managed care clients.

Outpatient prescription drugs will be a benefit of each Medicaid managed care program, STAR, STAR+PLUS, and STAR Health. CHIP is also a managed care program for which outpatient drugs are a benefit.

To participate in the Medicaid or CHIP managed care networks, pharmacy providers should contact the MCOs in each service area for information about their PBM. Pharmacies must be contracted with the Vendor Drug Program before they can participate in any managed care network. A list of the MCOs and PBMs, by service area, is available at the Vendor Drug website, <http://www.txvendordrug.com/claims/managed-care.shtml>, and is included in this packet.

Some pharmacies may already be enrolled with one or more of the participating PBMs, as the pharmacy may have an existing contract with that PBM through a different line of business, such as Medicare. Your PBM contract may extend to all of that PBM's lines of business without the need for a new contract or amendment to an existing contract. Review your newly offered and existing contracts with the PBMs in your service area to make sure you understand the terms and conditions. To continue serving all of your current Texas Medicaid and CHIP clients, you must be contracted with every PBM in your service area. To speak with an MCO regarding contracting opportunities, please refer to the Medicaid/CHIP Pharmacy Network Provider Enrollment chart included in this packet.

Medicaid/CHIP MCO Pharmacy Assistance Chart

This packet includes a chart that lists all the MCOs, PBMs, and their pharmacy billing and contact information including bank information number (BIN), processor control number (PCN), and group ID, as well as phone numbers to the MCO/PBM pharmacy billing and prior authorization call centers. Pharmacies may use the chart to expedite claim submission. The

information in the chart is only to be used by pharmacies enrolled with the MCO/PBM being referenced. You must be in the appropriate network to use the billing information.

Verifying Client Eligibility

Here are ways pharmacies can verify client eligibility:

- **If a client knows** what MCO/PBM they are enrolled in, the pharmacy can do one of the following to verify the client's eligibility or MCO:
 1. Follow the MCO/PBM's instructions for verifying eligibility.
 2. Check the client's MCO member ID card. This card should include the correct pharmacy billing information.
 3. Check the client's Your Texas Benefit Card (Medicaid ID card) for the client's MCO. This card should include the correct pharmacy billing information.

- **If a pharmacy does not know** what MCO a Medicaid or CHIP client is enrolled in and no valid ID card is presented, the pharmacy can do one of the following to verify eligibility and learn the name of the client's MCO:
 1. Call HHSC's "Your Texas Pharmacy Benefits Medicaid Help Line" at 1-(800)-668-0650 to find client enrollment status in Medicaid and the name of the client's MCO.
 2. Verify eligibility and a client's MCO using the VDP's web-based Eligibility Verification Portal (EVP)*. The EVP is available to all pharmacies contracted with the VDP. Pharmacies will receive a response that names the client's MCO.
 3. Send an Eligibility Verification (E1) transaction to the VDP as they do today. Pharmacies will receive a response that names the client's MCO.
 4. Submit a claim to the VDP. If the client is enrolled in a MCO, the claim will reject with NCPDP error code "AF" ("Patient Enrolled Under Managed Care") with the MCO's name returned in "Additional Message Information" (Field 526-FQ).

Once the MCO name is known, the pharmacy can cross-reference the Medicaid/CHIP MCO Pharmacy Assistance Chart to access information (BIN #, Group #, etc) that will allow them to submit a claim, or phone numbers needed to contact the plan.

*NOTE: Pharmacies should refer to txvendordrug.com/claims/eligibility-verification.shtml for instructions on how to verify eligibility through either your point-of-sale system or the web-based EVP. To use the EVP, pharmacies must register by completing the [Pharmacy Enrollment Form](#) and return the completed form either by fax (1-866-780-2185) or by e-mail (Pharmacy.MoveIT@tmhp.com). The form can be found on the website listed above.

Who to Contact...and When?

- **If you need assistance with billing the PBM with which you are contracted** call the MCO or PBM's pharmacy provider phone number. Pharmacies can use the chart to cross reference the MCO's corresponding pharmacy provider phone number.

- **If you need assistance or are assisting a prescriber with a prior authorization**, call the MCO or PBM's prior authorization phone number. Pharmacies can use the chart to cross reference the MCO's corresponding prior authorization phone number.
- **If a client doesn't know if they are eligible to enroll in a MCO or would like to change their MCO**, clients may call the enrollment broker helpline at 1-800-964-2777. (Providers may not call this helpline).
- **If you need to verify a client's Medicaid/CHIP eligibility or find out which MCO he or she is enrolled in**, use one of the steps listed in the above paragraph, titled "Verifying Client Eligibility."
- **If you want to appeal a decision made by the MCO or PBM**, call the MCO and follow their complaint/appeal process or consult your MCO/PBM provider manual. Medicaid and CHIP clients will receive separate information regarding a member hotline and complaint/appeal processes.
- **If you do not get a complaint resolved with the MCO or PBM you are contracted with**, email the complaint to hpm_complaints@hhsc.state.tx.us.
- **If you need assistance regarding a fee-for-service client, including billing the VDP:**
 - Contact the Vendor Drug Pharmacy Resolution Help Desk as you do today; or
 - Contact your regional Vendor Drug Program pharmacist.

As a last resort, pharmacies may continue to contact the Vendor Drug Pharmacy Resolution Help Desk for assistance. If all attempts at any type of problem resolution fail, please contact the VDP Resolution Help desk.

Reminders

Drug Formulary

MCOs and PBMs are required by state law to adhere to the VDP Medicaid and CHIP formularies. To verify which drugs are covered on the VDP formularies, pharmacies may use the Texas Drug Code Index Formulary search tool at: <http://www.txvendordrug.com/formulary/formulary-search.asp>. PBMs may choose to contract with specialty pharmacies for specialty pharmaceutical products.

Family Planning

Certain MCOs/PBMs will not reimburse for family planning drugs. To adjudicate and dispense drugs associated with these plans, pharmacies are to bill the VDP.

Prior Authorization Processes

MCOs and PBMs are required by state law to adhere to the Medicaid preferred drug list (PDL). Prior authorization still will be required for non-preferred drugs, but individual PBMs will have their own processes and phone lines. CHIP recipients are not subject to PDL edits.

Each MCO will have its own prior authorization (PA) call center as indicated on the Medicaid/CHIP MCO Pharmacy Assistance Chart. As now, if a pharmacy is not able to fill a Medicaid client's prescription because of a PA requirement, and the prescriber is unable to be contacted, then the pharmacy must dispense a 72-hour emergency supply to the client. All PDL-PAs and clinical edit PAs currently in place for clients in the VDP will be transferred to the MCOs/PBMs and must be honored for up to 90 days after March 1.

Medicare

Continue billing Medicare as primary payer and then the MCO as the secondary payer. The VDP is not responsible for any portion of a managed care client's prescription claim.

Coordination of Benefits (COB) Processing

Continue billing commercial insurance as the primary payer and then the MCO as the secondary payer. The VDP is not responsible for any portion of a managed care client's prescription claim.

Pharmacy Provider Training

If you did not attend pharmacy provider training with a MCO/PBM, please contact the MCO/PBM and ask if they provide web-based training.

Out-of-Network Pharmacies

If a client is enrolled with a MCO/PBM that you are not contracted with, you may not be reimbursed for services provided to that client and you cannot charge the client. Please transfer prescriptions to network pharmacies when requested. Clients should call their MCO if they require a medication. The MCO is required to ensure clients receive medically necessary, covered medications.

If the member requires an emergency medication and does not have a network pharmacy nearby, you may be able to be reimbursed. You need to call the MCO/PBM to see if you are able to be reimbursed on an out-of-network basis or if you can enroll (even temporarily) in the MCO/PBM.

Successful Implementation

The primary measure of success for this implementation will be the ability to provide needed health care to clients with a minimum of disruption. Clients do not need to go without their medications because their MCO/PBM does not understand the VDP preferred drug list or because their neighborhood pharmacy is not in-network. Please listen, learn, and ask questions. Your assistance and understanding ensures the continued success of the Texas Medicaid program. We look forward to continue working with you in serving clients of the Medicaid, CHIP, KHC, and CSHCN programs.