National Council for Prescription Drug Programs

NCPDP

April 26, 2Ø11

Re: Pharmacy program transition to NCPDP Telecommunication Standard vD.Ø

Dear State Medicaid Director:

The National Council for Prescription Drug Programs (NCPDP) is reaching out to all State Medicaid agencies to address specific situations related to the industry's transition to NCPDP Telecommunication Standard vD.Ø, while adhering to the January 1, 2Ø12 HIPAA compliance date. To allow sufficient time for software development, testing and deployment and to mitigate customer care issues as of the January 1, 2Ø12 compliance date, the NCPDP Strategic National Implementation Process (SNIP) Committee recommends production software deployment occur between January 2Ø11 and July 2Ø11. While a six month deployment period addresses point of care concerns for single payers, it does present transition issues when benefits are coordinated between multiple payers and the non-primary payer is not yet supporting Telecommunication Standard vD.Ø. Since Medicaid is the payer of last resort, these transition issues will continue to occur until the Medicaid pharmacy claims adjudication system is converted to vD.Ø with the recommended External Code List (ECL) version and supports all Other Payer Patient Responsibility Amount Qualifier values.

NCPDP SNIP has provided the below guidance to address the issues related to the transition to vD.Ø. This guidance highlights those areas specific to coordination of benefit processing. As the pharmacy industry is striving to meet the designated HIPAA II timelines, your assistance in addressing these issues is critical to ensure the patient receives the necessary services.

Transition Issue # 1: **Reject Code Alignment**

Primary payer returns new vD.Ø reject codes and the non-primary payer (Medicaid) does not recognize/accept these new reject codes. This may occur when the non-primary payer (Medicaid) is still processing v5.1 transactions or, when processing vD.Ø transactions but supporting an earlier version of the External Code List (ECL). The inability to recognize and/or translate the new reject codes by the non-primary payer (Medicaid) will result in a point of service reject, placing patient care at risk.

> **NCPDP SNIP Recommendation to Issue # 1:**
> The non-primary payer must support a mapping of the vD.Ø reject codes back to the compatible, less descriptive v5.1 reject codes, allowing the v5.1 COB claim to process as normal. This mapping can be implemented by either the processor or the provider. The attached reject code cross-walk has been approved by NCPDP SNIP, and should be used as formal documentation.

Transition Issue # 2: COB Processing Method

Non-primary payer (Medicaid) has converted to vD.Ø and requires the components of Other Payer Patient Responsibility Amounts for COB billing; however the primary payer is still processing v5.1 transactions in which the components of the Patient Pay Amount (5Ø5-F5)are not returned or do not balance.

Alternatively, both the primary and non-primary (Medicaid) payers have converted to vD.Ø, however due to program limitations, the non-primary payer (Medicaid) does not recognize all of the component pieces of the patient liability that may be reported by the prior payer(s).

In both situations, inconsistencies may occur in the final patient liability amount returned by the non-primary payer (Medicaid) or the claim may reject, placing patient care at risk.

vD.Ø Other Payer Patient Responsibility Amount Qualifiers (I.e. Components of Patient Pay)	
Code	**Description**
Ø1	Amount Applied to Periodic Deductible (517-FH) as reported by previous payer
Ø2	Amount Attributed to Product Selection/Brand Drug (134-UK) as reported by previous payer
Ø3	Amount Attributed to Sales Tax (523-FN) as reported by previous payer
Ø4	Amount Exceeding Periodic Benefit Maximum (52Ø-FK) as reported by previous payer
Ø5	Amount of Copay (518-FI) as reported by previous payer
Ø6	Patient Pay Amount (5Ø5-F5) as reported by previous payer
Ø7	Amount of Coinsurance (572-4U) as reported by previous payer
Ø8	Amount Attributed to Product Selection/Non-Preferred Formulary Selection (135-UM) as reported by previous payer
Ø9	Amount Attributed to Health Plan-Funded Assistance Amount (129-UD) as reported by previous payer
1Ø	Amount Attributed to Provider Network Selection (133-UJ) as reported by previous payer
11	Amount Attributed to Product Selection/Brand Non-Preferred Formulary Selection (136-UN) as reported by previous payer
12	Amount Attributed to Coverage Gap (137-UP) that was collected from the patient due to a coverage gap
13	Amount Attributed to Processor Fee (571-NZ) as reported by previous payer

NCPDP SNIP Recommendation to Issue # 2:

Until such time that all parties involved implement usage of all Other Payer Patient Responsibility Amount Qualifier values, it is recommended that Other Payer Patient Responsibility Amount Qualifier value Ø6 (Patient Pay Amount (5Ø5-F5) as reported by previous payer) be used.

NCPDP appreciates your attention to these transition issues. NCPDP asks that you forward these recommendations to your pharmacy claim processor or technical team to address where applicable. NCPDP task groups encourage discussion from the various sectors of the pharmacy industry and would welcome your participation; it is not necessary to be an NCPDP member to participate. Please reference the following link for the task group meeting calendar (http://www.ncpdp.org/events.aspx).

NCPDP is a not-for-profit ANSI-accredited Standards Development Organization consisting of more than 1,6ØØ members who represent drug manufacturers, chain and independent pharmacies, drug wholesalers, insurers, mail order prescription drug companies, claims processors, pharmacy benefit managers, physician services organizations, prescription drug providers, software vendors, telecommunication vendors, service organizations, government agencies and other parties interested in electronic standardization within the pharmacy services sector of the health care industry.

NCPDP standards have been endorsed and nationally accepted throughout the healthcare industry for over 3Ø years beginning with a standard Universal Claim Form (UCF), which was the precursor to a real time, on-line electronic claims adjudication billing standard. NCPDP continues to be recognized as the leader in the development of industry standards for the pharmacy industry. More information may be found at www.ncpdp.org.

Thank you.

For direct inquiries or questions related to this letter, please contact

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Sincerely,

Lee Ann C. Stember
President
NCPDP

cc: Medicaid Pharmacy Administrators

NCPDP SNIP: Telecommunication vD.Ø Reject Code Cross-Walk to v5.1 Reject Code

HIGH RISK: Most Commonly Used Reject Codes			
D.Ø Reject Code	Explanation	5.1 Reject Code	5.1 Reject Code Description
N1	No patient match found.	52	Non-Matched Cardholder ID
569	Provide Beneficiary with CMS Notice of Appeal Rights	7Ø	Product/ Service Not Covered
7Y	Compounds Not Covered,	7Ø	Product/ Service Not Covered
A5	Not Covered Under Part D Law	7Ø	Product/ Service Not Covered
A6	This Medication May Be Covered Under Part B	7Ø	Product/ Service Not Covered
MR	Product Not On Formulary	7Ø	Product/ Service Not Covered
7X	Days Supply Exceeds Plan Limitation	76	Plan Limitations Exceeded

MODERATE RISK:			
D.Ø Reject Code	Explanation	5.1 Reject Code	5.1 Reject Code Description
582	M/I Fill Number	17	M/I Fill Number
585	Fill Number Value Not Supported	17	M/I Fill Number
7W	Refills Exceed allowable Refills	17	M/I Fill Number
512	Compound Code Value Not Supported	2Ø	M/I Compound Code
8K	DAW Code Value Not Supported	22	M/I (DAW)/ Product Selection Code
556	Unit Of Measure Value Not Supported	26	M/I Unit Of Measure
8R	Submission Clarification Code Value Not Supported	34	M/I Submission Clarification Code
56Ø	Pharmacy Not Contracted in Retail Network	4Ø	Pharmacy Not Contracted With Plan DOS
561	Pharmacy Not Contracted in Mail Order Network	4Ø	Pharmacy Not Contracted With Plan DOS
562	Pharmacy Not Contracted in Hospice Network	4Ø	Pharmacy Not Contracted With Plan DOS
563	Pharmacy Not Contracted in Veterans Administration Network	4Ø	Pharmacy Not Contracted With Plan DOS
564	Pharmacy Not Contracted in Military Network	4Ø	Pharmacy Not Contracted With Plan DOS
G6	Pharmacy Not Contracted in Specialty Network	4Ø	Pharmacy Not Contracted With Plan DOS
G7	Pharmacy Not Contracted in Home Infusion Network	4Ø	Pharmacy Not Contracted With Plan DOS
G8	Pharmacy Not Contracted in Long Term Care Network	4Ø	Pharmacy Not Contracted With Plan DOS
G9	Pharmacy Not Contracted in 9Ø Day Retail Network (this message would be used when the pharmacy is not contracted to provide a 9Ø days supply of drugs)	4Ø	Pharmacy Not Contracted With Plan DOS
MS	More than 1 Cardholder Found – Narrow Search Criteria	52	Non-Matched Cardholder ID
9G	Quantity Dispensed Exceeds Maximum Allowed	76	Plan Limitations Exceeded
59Ø	Compound Dosage Form Not Covered	EG	M/I Compound Dispensing Unit Form Indicator
547	Prior Authorization Type Code Value Not Supported	EU	M/I Prior Authorization Type Code
9T	Prior Authorization Type Code Submitted Not Covered	EU	M/I Prior Authorization Type Code
N9	Use Prior Authorization Code Provided For Level of Care Change	EV	M/I Prior Authorization Number Submitted
516	Compound Type Value Not Supported	7Ø	Product/ Service Not Covered
552	Route of Administration Value Not Supported	7Ø	Product/ Service Not Covered
9Q	Route Of Administration Submitted Not Covered	7Ø	Product/ Service Not Covered