



DATE: May 5, 2022

TO: Commonwealth of Kentucky Medicaid Pharmacy Network

FROM: MedImpact Healthcare Systems

Subject: [Third Party Liability \(TPL\) Concerns and Reprocessing Instructions](#)

Status: The Department of Medicaid Services (DMS) would like to provide some updates based on the TPL concerns we've received. Of note, it is of the pharmacy's due diligence to reverse and reprocess claims to the appropriate insurance carrier. Pharmacies must make a good faith effort to appropriately bill for any and all affected claims per federal law 42 CFR 433.138 and 433.139.

1. Concern: Primary insurance will not allow pharmacies to reprocess claims from [>XX days]. We understand this is a concern for many pharmacies who have attempted to reverse and reprocess some claims.
 - a. DMS will be working with our MCO partners in the upcoming days to provide pharmacies with a direct line and/or extension number to MCO TPL experts (both during business hours and otherwise, evenings, weekends, etc.). They will be at your service to assist with reprocessing of these claims so the time that a pharmacist is spending on these claims is limited and the process is efficient. We will also have an email address as a point of contact in which MCOs will be required to respond within 24 hours. My email address as well as DMSpharmacy@ky.gov is always available for escalations. We will work with you to ensure the MCO plans are complying with these requirements and assisting pharmacies with these claims. We will provide additional information to you regarding this contact information in the upcoming days.
2. Concern: Claims reprocessing for brand name medications.
 - a. We have laid out TPL Claims Reprocessing Instructions for pharmacies below. In the case where the primary insurance rejects the claim, Medicaid will pick up the secondary claim if appropriate. This can be accomplished via an OCC 3 override in NCPDP field 308-08. Of note, DMS is working with MedImpact to evaluate additional denial codes including OCC 3 to apply to retro-eligible claims for pharmacies to appropriately reprocess. See additional details below.
 - b. Note, DMS and MedImpact will be monitoring OCC 3 overrides very closely to ensure accuracy of the claims to which they are being applied.



3. Concern: More transparency needed in how to appropriately reverse and reprocess claims:
 - a. DMS and MedImpact are collaborating to provide a pharmacy provider webinar to address outstanding concerns and questions from pharmacists across the state.
 - b. Tomorrow's webinar will be rescheduled to the week of May 15. A morning and afternoon session will be conducted to accommodate schedules. Additional communications will be provided about the webinar to include a weblink and scheduled times.
 - c. This information will also be disseminated to pharmacies via a communication blast from MedImpact.
4. Concern: Incorrect mailing to pharmacies
 - a. These will be escalated directly to MedImpact. MedImpact will contact pharmacies to provide instructions on destroying the PHI. MedImpact will also ensure that letters are sent to the correct pharmacies.
5. Concern: Timeframe to reprocess claims
 - a. The timeframe provided to pharmacies to reprocess claims is currently is 90 days; however, if pharmacies are having trouble reversing and reprocessing claims by the July 31, 2022 deadline, exceptions may be granted for extenuating circumstances. Pharmacies requesting an extension must submit the request to DMS at DMSpharmacy@ky.gov no later than close of business on Friday, July 15, 2022.

We are aware of the concerns coming in and are trying our best to address each one as it is raised. DMS appreciates the collaboration with each pharmacy in Kentucky and hope that increasing measures on our end will assist pharmacies in meeting federal guidance.

TPL Claims Reprocessing Instructions

- Reverse the identified claim through MedImpact (using a NCPDP B2 transaction).
- Add the supplied other payer billing information to your system for reprocessing. Note: for dually eligible members, you may need to contact the member for the primary payer billing information.
- Use standard Coordination of Benefits (COB) processing to submit the claim to the primary insurance first, and then submit a secondary claim to MedImpact (if applicable).
 - When there are multiple other payers identified for a member, all must be billed before a secondary claim may be approved by MedImpact.
 - Do not bill MedImpact for Medicare Part D covered medications.
 - For detailed information on COB processing refer to the Kentucky Medicaid Provider Billing Manual, which can be found on the Provider Portal at: <https://kyportal.medimpact.com/provider-documents/documents>



- In most cases, if the primary insurance pays greater than \$0.00 on the claim, you will process the secondary claim with an Other Coverage Code (OCC) of 2 in NCPDP field 308-C8. When this OCC code is used, you will also need to submit an Other Payer Amount Paid (OPAP) amount greater than \$0.00 in field 431-DV.
- In most cases, if the primary insurance rejects the claim, you will submit the secondary claim with an OCC code of 3 in NCPDP field 308-08. When this OCC code is used, you will also need to submit the Other Payer Reject Code in field 472-6E. Certain reject codes may allow MedImpact to override Coordination of Benefits “Bill to Primary Payer” denials.
- In most cases, if the primary insurance accepts the claim, but does not pay anything on the claim, you will process the secondary claim with an OCC code of 4 in NCPDP field 308-C8. When this OCC code is used, a \$0.00 OPAP amount will be expected in field 431.DV.
- No other OCC codes will be accepted when processing to MedImpact as secondary.

Contact Information: If you have any questions, please contact MedImpact’s Kentucky Team at:

Program Questions: KYMCOPBM@MedImpact.com

BIN: 023880 / PCN: KYPROD1 / GROUP: KYM01