October 22nd, 2003

Dear Pharmacy Provider,

This fax is a reminder that the Cost Avoidance program goes back into effect on Monday, October 27th, 2003. Please review the following for information on how to bill with this new program. If you have any questions about cost avoidance please contact the TPL department at 800-268-5261. If your pharmacy software does not support Coordination of Benefits (COB), you may submit the claim through the OHCA website. If you have not set up your internet account, please contact the OHCA Help Desk at 405-522-6205, option 4 or toll-free statewide at 800-522-0114, option 4. Do not call the Pharmacy Help Desk as their staff does not have access to the website.

**Oklahoma Medicaid Billing Procedure for Cost Avoidance - Private Third Party Payer or Medicare**

1. Pharmacy sends claim to EDS and it is rejected with OHCA Edit 2508 and NCPDP Reject Code 41. Reject Code 41 says “Submit Bill to Other Processor or Primary Payer”
   - In the text of the rejection message, the pharmacy also receives the Third Party payer information including name, address and telephone number.

2. Pharmacy sends claim to Third Party Payer listed in the rejection message from OHCA.
   a. Third Party Payer pays 100% of the Medicaid allowable – Claim may be resubmitted but no payment will result.
   b. Third Party Payer pays less than 100% of the Medicaid allowable – Claim should be resubmitted to EDS
      - Enter the paid amount in the “TPL AMOUNT PAID” field of your software or
        Enter the paid amount in the “TPL AMOUNT PAID” field on the Internet claims screen
      - Send claim to EDS
      - Resulting payment will be Medicaid allowable minus TPL Amount Paid
   c. Third Party Payer sends back a $0.00 Paid amount – Claim should be resubmitted to EDS
      - Enter $0.00 in the “TPL AMOUNT PAID” field of your software and enter a ‘4’ – Other coverage exists-payment not collected, in the Other Coverage Code (field 308-C8) or Enter “Yes” in the Insurance Denied Field on the Internet claims screen if submitting on the internet
      - Send claim to EDS
      - Claim will pay Medicaid Allowable
   d. Third Party Payer REJECTS or DENIES the claim
      - Enter at least 1 and up to 9 reject codes in the TPL Reject Reason Code field of your software. Do not use spaces or commas to separate the codes. Enter “Yes” in the Insurance Denied Field on the Internet claims screen
      - Send the claim to EDS
      - Claim will pay Medicaid Allowable.

Thank you for your continued service to Oklahoma’s Medicaid clients.