

Special Instructions for Pharmacies when the Recipient has both Medicaid and a Point-of-Sale Drug Plan (such as BCBSAL)

A “point-of-sale” (POS) drug plan (such as BCBSAL) requires that a percentage of, or the entire cost of, a prescription be paid upfront by the patient. Then a claim can be submitted by the patient to BC/BS for reimbursement directly to the patient. This definition would not include drug plans that simply have a large deductible or co-pay that has to be met.

When an Alabama Medicaid recipient has other drug coverage that is a POS plan (as defined above), special consideration needs to be given so that a) the recipient is not required to pay the cost of the drug upfront, b) Medicaid is aware of the POS plan, c) the pharmacy is allowed to bill Medicaid as primary and d) Medicaid can bill the POS plan and get reimbursed. In this situation, pharmacies should do the following 3 things:

1. Ensure that Medicaid’s third party information listed for the recipient indicates coverage code 08: “prescription drug- pay and chase” coverage.

If Medicaid’s system indicates the recipient has coverage code 07: “**prescription drug- cost avoid**” coverage, then Alabama Medicaid needs to be informed so that the drug coverage can be coded into Medicaid’s claims system as coverage code 08: “prescription drug- pay and chase” coverage. This will allow the pharmacy to bill Medicaid as the primary payer; Medicaid bypasses the third party edit and pays the claim; then Medicaid submits a claim to BC/BS for reimbursement of the Medicaid paid amount.

To report the change, the pharmacy can contact Medicaid’s Third Party staff to update a recipient’s drug coverage by calling the direct line of the appropriate staff person to update health insurance. Please call the number listed below based on the recipient’s last name:

- Recipient’s Last Name – A through F - 334-242-5249
- Recipient’s Last Name – G through K – 334-242-5280
- Recipient’s Last Name – L through Q – 334-242-5254
- Recipient’s Last Name – R through Z – 334-242-5253

Another means for reporting a coverage change is by going to Medicaid’s website and completing an email or faxable form to update health insurance. Go to Medicaid’s website at: http://www.medicaid.alabama.gov/CONTENT/6.0_Providers/6.1_Benefit_Coordination.aspx

Select: **Update Health Insurance Information** and choose the preferred method to report the change.

(The following screen will display)

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Update Health Insurance Information

Medicaid recipients are required to report any health-related insurance coverage so that claims are submitted to the primary payer before Medicaid makes payment.

Click on a link below to e-mail updated health insurance information:

- Recipient's Last Name - A through F
- Recipient's Last Name - G through K
- Recipient's Last Name - L through Q
- Recipient's Last Name - R through Z

Information may also be faxed to 334-353-2922.

- Insurance Update Form (with Fillable Fields) to Fax or Mail

Telephone numbers to update health insurance:

- Recipient's Last Name - A through F - 334-242-5249
- Recipient's Last Name - G through K - 334-242-5280
- Recipient's Last Name - L through Q - 334-242-5254
- Recipient's Last Name - R through Z - 334-242-5253

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2. Bill Medicaid as a primary payer.

Once the recipient's drug coverage is changed in Medicaid's system to coverage code 08: "prescription drug- pay and chase", the pharmacist can bill Medicaid as a primary payer. Depending on whether the POS plan would pay anything on the prescription, the pharmacist should bill as follows:

- if the POS plan would pay nothing on the claim, bill Medicaid as the primary payer, enter a "01" in the Other Coverage Code field (field 308-C8). This will trigger Medicaid's system to bill the paid claim to the POS plan for reimbursement.
- if the POS plan will pay a percentage of the claim, bill the POS plan first, enter a "02" in the Other Coverage Code field (field 308-C8), and enter the amount paid by the POS plan in the Other Payer Amount Paid field (field 431-DV). This will trigger Medicaid's system to bill the paid claim to the POS plan for the remainder of the reimbursement.

3. Do not provide receipts to the recipient (so that they can file a claim for reimbursement to the POS plan) for ANY prescriptions billed to Medicaid.

During the application process, as a condition of eligibility, the recipient assigned over to Medicaid any health benefits for which they may be entitled. When Medicaid pays the patient's responsibility amount, Medicaid is entitled to any benefits covered by another insurance. The recipient should not bill the POS plan for any reimbursement. Medicaid will bill the POS plan.

If you should have any additional questions, please contact Keith Thompson at (334) 242-5248 or Shari Rudd at (334) 353-4542.