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Section H: Coordination of Benefits (COB)

CenCal Health's health plan is always the payor of last resort. All pharmacy providers are required to bill the members primary insurance/or Medicare before billing CenCal Health.

Some CenCal Health members have prescription coverage through other payment sources. Examples of other coverage include Medicare Part D, Medicare HMO, or private health insurance, under which a member is entitled to receive prescription benefits. All CenCal Health pharmacy providers are required to bill other health coverage before billing CenCal Health. This is referred to as Coordination of Benefits (COB).

MedImpact's Point of Sale (POS) network is equipped to accept and adjudicate claims when there is a denial and/or partial payment from the other health coverage, and providers are encouraged to bill online for these services. Providers may neither refuse service to CenCal Health members who have other insurance coverage in addition to CenCal Health nor may they refuse service because of the requirement to hardcopy bill. Pharmacy providers are also prohibited from billing members for the copay amount or for a prescription, which is a primary insurance plan exclusion.

H1: Commercial COB

MedImpact's eligibility file will indicate when a member has other primary insurance coverage and will reject online prescription claims with the edit message **"Bill Primary Carrier First."** The pharmacy should use the following procedure when this message is received:

- **Confirmation of other insurance coverage:** Confirm other primary insurance coverage status by requesting information from the member. If you are still unable to determine primary pharmacy coverage status from the member, call CenCal Health Member Services at (877) 814-1861 for additional assistance.

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- **Claims submission when other insurance confirmed:** If the pharmacy determines that the member does have other pharmacy insurance coverage, the pharmacy bills the prescription claim to the primary insurance carrier first, before billing MedImpact. If a balance remains after payment by the primary carrier, MedImpact is then billed. These secondary billings will include copayments, deductibles and items not covered by the primary carrier. The secondary billing should include the full amount charged for the item, and the amount paid by the primary insurance carrier. Electronic billings that do not include attachments must be self-certified by entering an appropriate and valid Other Coverage Code as described in the Medi-Cal Provider Manual; however, providers must still be able to readily retrieve all backup documentation including proof of claim submission and payment. If the pharmacy is not equipped to submit secondary billings online, they may submit a paper claim to MedImpact by completing a 30-1 Pharmacy claim form attached to documentation of the paid amount from the primary insurance. (Be aware that MedImpact may impose additional processing charges for processing paper claims.) Documentation may be either the primary insurance Explanation of Benefits (EOB), or a copy of the pharmacy's adjudication screen.

  MedImpact does not pay insurance copayments separately. Copayments must be billed on a claim that shows the full amount charged by the pharmacy to the primary carrier, amount the primary carrier actually paid, and valid other coverage code as described in the Medi-Cal Provider Manual. MedImpact will not pay the balance of a pharmacy's bill when the pharmacy has an agreement with the other health coverage carrier or plan to accept the carrier's contracted rate as "payment in full". Please do not bill for these services.

  MedImpact will accept secondary billings for all prescriptions approved for payment by the primary insurance carrier regardless of whether the drug is a CenCal Health formulary item or not; a MRF (Medical Request Form) is not required for secondary billing.

- **Claims submission for prescriptions not covered by other insurance:** If the prescription is not on the primary insurance formulary, then the pharmacy must pursue normal procedures to obtain a prior authorization from the primary insurance carrier. If the prior authorization is denied and an alternative primary insurance formulary drug cannot be used and the drug is on CenCal Health's formulary, the pharmacy may then electronically bill the prescription claim to MedImpact by entering the appropriate other coverage code which reflects non coverage by the primary carrier. Otherwise the

pharmacy may bill on a 30-1 form as instructed in the Medi-Cal Pharmacy Provider Manual. If the prescription is denied by the primary insurance carrier and the medication is not on CenCal Health's formulary, then an approved MRF from MedImpact is required for payment.

- **Claims submission for other insurance plan exclusions:** If the primary insurance carrier does not cover the prescription as a plan benefit and the drug is on CenCal Health's formulary, the pharmacy may then bill the prescription claim to MedImpact with documentation of a plan exclusion. For example, many insurance carriers do not cover OTC or medical supply items, whereas CenCal Health does cover these items. If the prescription is a primary insurance plan exclusion and the medication is not on CenCal Health's formulary, then an approved MRF from MedImpact is required for payment.

- **Member does not have other primary insurance:** If the pharmacy determines that the member does not have other pharmacy insurance coverage or other pharmacy insurance benefits have been exhausted, a completed Eligibility Update Form should be faxed to CenCal Health Recoveries Unit at (805) 964-0540. Please attach a copy of the pharmacy adjudication screen showing the claim was rejected due to "No coverage". If the pharmacy is unable to produce a copy of the denial, they should call CenCal Health Member Services for assistance at (877) 814-1861. Member Services staff will then research the primary insurance prescription coverage status and initiate a change to the MedImpact eligibility file if the member is found not to have primary pharmacy insurance coverage.

- **Billing Notes:** Completion of the 30-1 Form: if you are unable to bill electronically and must submit a paper claim, please refer to the Pharmacy Claim Form Completion section in the State Medi-Cal Pharmacy Manual.

Mail all completed paper claims to:
    MedImpact Healthcare Systems, Inc.
    Operations Dept. Attn: Claims
    10181 Scripps Gateway Ct.
    San Diego, CA 92131

H2: Medicare COB

Some CenCal Health members have primary coverage for prescriptions through Medicare Part B & D. If the member has Medicare coverage, the pharmacy must submit claims for Medicare-covered drugs/supplies to the Medicare carrier as the primary insurance. CenCal Health requires that participating pharmacy providers accept assignment on all

Medicare/CenCal Health Medi-Cal claims billed on the member's behalf. The assignment acceptance is an agreement with Medicare that the provider will not charge the member, including coinsurance and deductible amounts, and will accept Medicare's determination of approved charges.

- **Drugs and supplies covered under Medicare Part B:** Most drugs covered under Medicare Part B are drugs that require the intervention of a physician to administer properly. These include immunosuppressant drugs, anti-cancer drugs, antiemetic drugs, and drugs and dialysis drugs. Pharmacy providers are encouraged to verify coverage through other reference sources and/or by contacting the Medicare fiscal intermediary. Other drugs, medical supplies, biologicals, blood modifiers and nutritional therapies covered by Medicare, and are not on the CenCal Health formulary, will not require a MRF. Please refer to your Medicare Supplier Manual for a detailed listing of these items.

H3: Claims Submission Procedure for Medicare Covered Drugs/Supplies

1. MedImpact's eligibility file will indicate when a member has Medicare coverage and will reject online prescription claims for Medicare covered drugs with the edit message **"Must Bill Medicare"**.

2. The pharmacy bills Medicare according to the billing instructions as provided by Medicare. Once the Pharmacy has received payment or denial from Medicare, they may then bill for any denied services or for a member's Medicare copay and/or deductible. The claim should be sent to MedImpact electronically or on a Pharmacy claim form (30-1) along with the Medicare EOMB information.

> Mail all completed paper claims to:
> MedImpact Healthcare Systems, Inc.
> Operations Dept. Attn: Claims
> 10181 Scripps Gateway Ct.
> San Diego, CA 92131