Kentucky Medicaid Pharmacy Provider Point-of-Sale (POS) Billing Manual

Version 2.0

January 09, 2022

Revision History

Version	Date	Name	Comments
1.0	12/04/2004	FHSC Kentucky Pharmacy	Initial creation of document
1.1	07/01/2007	FHSC Kentucky Pharmacy	Revised
1.2	06/23/2010	Kentucky Provider Relations; Documentation Mgmt. team	Updated for name change and formatting
1.3	02/25/2011	Magellan Medicaid Administration	Revisions
1.4	10/11/2011	Magellan Medicaid Administration	WAC Pricing
1.5	10/26/2011	Magellan Medicaid Administration	Pharmacy website URL change
1.6	07/02/2012	Magellan Medicaid Administration	NCPDP D.Ø
1.7	03/20/2013	Provider Relations	Remove TPL Override
1.8	11/08/2013	Benefit Configuration; Comm. and Documentation Management	Updates
1.9	01/20/2014	Benefit Configuration; Comm. and Documentation Management	Update Medicare D coverage and co-pay information
1.10	06/24/2014	Michael Price; Communication and Documentation Management	Updated Web portal addresses
1.11	11/01/2014	Provider Relations	Web portal updates and Web claims submission
1.12	09/23/2015	Provider Relations	ICD-10 and Remittance Advice updates and KY SSO contact information added
1.13	06/15/2017	Provider Relations	Updated reimbursement algorithm, dispensing fee
1.14	12/07/2017	Account Management	Updated excluded list
1.15	03/20/2019	Account Management; Comm. and Documentation Management	Updates to various sections; updating cover branding
1.16	05/07/2019	Account Management	Update to 340B payment algorithm
1.17	02/01/2020	Account Management	Removed Web PA
1.18	02/06/2020	Account Management	Updated eRA information
2.0	12/13/2021	Account Management and Documentation Management	

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1.0   Introduction

Providers began submitting claims through Magellan Medicaid Administration, now Magellan Rx Management on December 4, 2004.

The point-of-sale (POS) system will require pharmacies to submit claims to Magellan Rx Management electronically in the National Council for Prescription Drug Programs (NCPDP) standardized version D.Ø; lower versions will not be accepted. After submission, Magellan Rx Management will respond to the pharmacy provider with information regarding member eligibility, the Kentucky Department for Medicaid Services (DMS) allowed amount, applicable Prospective Drug Utilization Review (ProDUR) messages, and applicable rejection messages. ProDUR messages will be returned in the DUR response fields. Other important related information will be displayed in the free-form message area. It is of utmost importance that all providers see the appropriate messages exactly as Magellan Rx Management returns them.

In addition to POS claims, Magellan Rx Management will accept paper claims. In those cases where a paper claim is needed, Magellan Rx Management will require a Universal Claim Form (UCF).

All arrangements with switching companies should be handled directly by the provider with their preferred switching company.

1.1   Important Telephone Numbers

Contact	Phone Number/Address	Availability
MRx's Pharmacy Web Portal	https://kyportal.magellanmedicaid.com/provider/public/home.xhtml	24 hours a day, 7 days a week
DMS pharmacy website	http://chfs.ky.gov/dms/Pharmacy.htm	24 hours a day, 7 days a week
Member Services	1-800-635-2570	8:00 a.m.–5:00 p.m., ET Monday–Friday
Clinical Support Center (prior authorizations)	1-800-477-3071	24 hours a day, 7 days a week
	1-800-365-8835 Fax: NORMAL	24 hours a day, 7 days a week
	1-800-365-8835 Fax: URGENT	24 hours a day, 7 days a week
Pharmacy Support Center (claims)	1-800-432-7005	24 hours a day, 7 days a week
MAC Pricing	MAC price look-up: https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml under the "Drug Info/MAC" tab To appeal MAC pricing: Fax: 1-888-656-1951 or email: StateMacProgram@magellanhealth.com	24 hours a day, 7 days a week
Software Vendor Certification	1-804-548-0479	
Voice Response Eligibility Verification (VRSV) – Member Eligibility	1-800-807-1301	24 hours a day, 7 days a week
Provider Management/Enrollment	1-877-838-5085	10:00 a.m.–4:30 p.m., ET, Monday–Friday
Magellan Rx Management Account Operations Manager	KYProviders@magellanhealth.com	
Magellan Rx Management Clinical Account Manager	KYProviders@magellanhealth.com	
Magellan Rx Management Provider Relations Manager	KYProviders@magellanhealth.com	
Kentucky Board of Pharmacy	http://pharmacy.ky.gov/	

1.2   Addresses

Address	Format
Provider Paper Claims Billing Address: Magellan Rx Management 11013 W. Broad Street Suite 500 Glen Allen, VA 23060	UCF version D.Ø
FTP: Magellan Rx Management 1-804-290-8371 (fax forms)	NCPDP Batch 1.2

1.2.1   Websites

- DMS: http://chfs.ky.gov/dms/Pharmacy.htm
- MRx: https://kyportal.magellanmedicaid.com/provider/public/home.xhtml
- Kentucky Board of Pharmacy: http://pharmacy.ky.gov/

1.2.2   Software Vendor

Software vendors must be certified with Magellan Rx Management to submit NCPDP version D.Ø. If you have any questions or need assistance in any way, please contact 1-804-548-0479.

1.3   Service Support

1.3.1   Online Certification

Effective December 4, 2004, any enrolled Kentucky Medicaid network provider may submit claims.

1.3.2   Online System Not Available

If for any reason the online system is not available, providers should submit claims when the online capability resumes. To facilitate this process, the provider's software should have the capability to submit backdated claims.

1.3.3   Technical Problem Resolution

To resolve technical problems, providers should follow the steps outlined below:

1. Check the terminal and communications equipment to ensure that electrical power and telephone services are operational. Call the telephone number the modem is dialing and note the information heard (i.e., fast busy, steady busy, recorded message). Contact the software vendor if unable to access this information in the system.

2. If the pharmacy provider has an internal technical support department, the provider should forward the problem to that department. The pharmacy's technical support staff will coordinate with Magellan Rx Management Pharmacy Support Center at 1-800-432-7005 to resolve the problem.

3. If the pharmacy provider's network is experiencing technical problems, the pharmacy provider should contact the network's technical support area. The network's technical support staff will coordinate with Magellan Rx Management Pharmacy Support Center at 1-800-432-7005 to resolve the problem.

4. If unable to resolve the problem after following the steps outlined above, the pharmacy provider should contact the Magellan Rx Management's Pharmacy Support Center at 1-800-432-7005.

1.3.4   Single Sign-on (SSO) Contacts

Kentucky Medicaid now utilizes an SSO function to allow access to multiple applications without having to log in to each system separately. If a **provider** experiences an "Access Denied" error when attempting to access Magellan Rx Management's Pharmacy Web Portal via Gainwell, Medicaid Enterprise User Provisioning System (MEUPS) at https://sso.kymmis.com, access will need to be verified with Gainwell. Please contact Gainwell at 1-800-635-2570 for verification of the MEUPS access and to ensure this information has been transmitted to Magellan Rx Management.

Once access has been established, assistance with the submission of claims can be accomplished by contacting the Pharmacy Support Center at 1-800-432-7005. For assistance with prior authorizations, please contact the Clinical Support Call Center at 1-800-477-3071.

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2.0   Program Setup

2.1   Claim Format

- POS claims must be submitted in the NCPDP version D.Ø format.
- The UCF must be submitted for paper submissions.
  - See *Section 9.0 – Appendix A – Universal Claim Form* for sample UCF and instructions.

2.2   Media Options

- POS
- Provider Submitted Paper
- Web Claims Submission – Sign into the secure link found at (https://kyportal.magellanmedicaid.com/provider/public/home.xhtml) to access the tool.

2.3   Networks

Below are switch vendors that are currently certified and successfully engaged with Magellan Rx Management for the submission of claim transactions.

- Emdeon
- Per-Se
- QS1
- Relay Health

2.4   Transaction Types

The following transaction codes are defined according to the standards established by NCPDP. The ability to use these transaction codes will depend on the pharmacy's software. At a minimum, all providers should have the capability to submit original claims (Transaction Code B1) and reversals (Transaction Code B2). Additionally, Magellan Rx Management will accept re-bill claims (Transaction Code B3). Providers may also submit eligibility verification (Transaction Code E1).

2.4.1   Full Claims Adjudication (Transaction Code B1)

This transaction captures and processes the claim and returns the dollar amount allowed under the Kentucky DMS reimbursement formula to the pharmacy.

2.4.2 Claims Reversal (Transaction Code B2)

This transaction is used by the pharmacy to cancel a claim that was previously processed. To submit a reversal, the provider must void a claim that has received a "**Paid**" status. To reverse a claim, the provider selects the reversal (void) option in the pharmacy's computer system.

Note: The following fields must match on the original paid claim and on the void request for a successful claim reversal:

- Service Provider ID
- Prescription Number
- Date of Service (DOS) (date filled)
- National Drug Code (NDC)
- Coordination of Benefits (COB) information

2.4.3 Claims Re-bill (Transaction Code B3)

This transaction is used by the pharmacy to adjust and resubmit a claim that has previously been processed and received a "**Paid**" status. A "claims re-bill" voids the original claim and resubmits the claim within a single transaction. A complete listing of all transactions supported in NCPDP version D.Ø is on the following page.

2.4.4 Eligibility Verification (Transaction Code E1)

This transaction is used by the pharmacy to determine a member's eligibility in the program. This transaction is rarely used, as this information is provided as part of the claim transaction.

2.5 Version D.Ø Transactions

Please review the following for program requirements. Some transactions may be required at a future date that has yet to be determined:

NCPDP Lower Version Transaction Name	NCPDP Version D.Ø Transaction Code	NCPDP Version D.Ø Transaction Name	Transaction Support Requirements
Eligibility Verification	E1	Eligibility Verification	Supported
Rx Billing	B1	Billing	Required
Rx Reversal	B2	Reversal	Required
Rx Re-billing	B3	Re-bill	Required

NCPDP Lower Version Transaction Name	NCPDP Version D.Ø Transaction Code	NCPDP Version D.Ø Transaction Name	Transaction Support Requirements
Prior Authorization Request with Request for Payment	P1	Prior Authorization Request and Billing	Not required
Prior Authorization Inquiry	P3	Prior Authorization Inquiry	Not required
Prior Authorization Reversal	P2	Prior Authorization Reversal	Not required
Prior Authorization Request Only	P4	Prior Authorization Request Only	Not required

2.6   NCPDP Version D.Ø Segments

Data in NCPDP version D.Ø is grouped together in segments. Please review the following for program requirements. Some segments may be required at a future date that has yet to be determined.

Request Segment Matrix									Segment Support Requirements
Transaction Code	E1	B1	B2	B3	P1	P2	P3	P4	Some segments may be required at a future date to be determined.
Segment									
Header	M	M	M	M	M	M	M	M	Required
Patient	S	S	S	S	S	S	S	S	Required
Insurance	M	M	S	M	M	S	M	M	Required
Claim	N	M	M	M	M	M	M	M	Required
Pharmacy Provider	S	S	N	S	S	S	S	S	No planned requirements at this time; may be required at a future date
Prescriber	N	S	N	S	S	S	S	S	Required
COB/Other Payments	N	S	S	S	S	N	S	S	Required
Worker's Comp	N	S	N	S	S	S	S	S	Not required
DUR/PPS	N	S	S	S	S	S	S	S	Required
Pricing	N	M	S	M	M	S	S	S	Required
Coupon	N	S	N	S	S	S	S	S	No planned requirements at this time; may be required at a future date
Compound	N	S	N	S	S	S	S	S	Required
PA	N	S	N	S	M	S	M	M	No planned requirements at this time; may be required at a future date

Request Segment Matrix									Segment Support Requirements
Transaction Code	E1	B1	B2	B3	P1	P2	P3	P4	Some segments may be required at a future date to be determined.
Segment									
Clinical	N	S	N	S	S	N	N	S	Required
Facility	S	S	S	S	S	S	S	S	Not Required

2.6.1   NCPDP Designations

- M = Mandatory
- S = Situational
- N = Not Sent

Note: Some segments indicated as "**Situational**" by NCPDP may be "**Required**" to support specific transactions for this program.

2.7   Required Data Elements

The Magellan Rx Management system has program-specific "mandatory/required," "situational," and "not sent" data elements for each transaction. The pharmacy provider's software vendor will need the payer specifications before setting up the plan in the pharmacy's computer system. This will allow the provider access to the required fields.

Please note the following descriptions regarding data elements:

Code	Description
M	Designated as **MANDATORY** in accordance with the *NCPDP Telecommunication Implementation Guide Version D.Ø*. These fields must be sent if the segment is required for the transaction.
S	Designated as **SITUATIONAL** in accordance with the *NCPDP Telecommunication Implementation Guide Version D.Ø*. It is necessary to send these fields in noted situations. Some fields designated as situational by NCPDP may be required for all Kentucky Medicaid transactions.
R***	The "R***" indicates that the field is **REPEATING**. One of the other designators "M" or "S" will precede it.

Kentucky Medicaid claims will not be processed without all the required data elements. Required fields may or may not be used in the adjudication process. The complete Kentucky Medicaid payer specifications, including NCPDP field number references, are located in *Appendix B* of this manual. Fields "not required for this program" at this time may be required at a future date.

Note: The following list provides important identification numbers for this program:

ANSI BIN #	Ø 11529
Processor Control #	P Ø 22 Ø 11529
Group #	KYMEDICAID
Provider ID #	National Provider Identifier (NPI)
Cardholder ID #	Kentucky Medicaid Identification Number or Temporary ID
Prescriber ID #	NPI
Product Code	NDC

2.8　　Timely Filing Limits

POS claims are generally submitted at the time of dispensing. However, there may be mitigating circumstances that require a claim to be submitted after being dispensed.

- For all original claims, reversals, and adjustments, the timely filing limit from the DOS is three hundred and sixty-six (366) days.

- Claims that exceed the prescribed timely filing limit will deny with **NCPDP Error Code 81/Timely Filing Exceeded**. Requests for overrides for timely filing limits should be directed to Magellan Rx Management's Pharmacy Support Center at 1-800-432-7005.

- Claims submitted due to retro-eligibility that are over a year old will hit the timely filing limit edit and will only be approved for up to three hundred sixty-six (366) days from the date the retro-eligibility was put on file by Kentucky Medicaid. Providers should contact Magellan Rx Management's Pharmacy Support Center at 1-800-432-7005.

3.0   Program Particulars

3.1   Dispensing Limits

3.1.1   Current Drug Lists

Below are various lists of drugs approved for dispensing to Kentucky Medicaid recipients:

- Covered Prescription Cold, Cough, and Vitamin Product List
- Maximum Quantity Limits List
- Over-the-Counter (OTC) Drug List
- Preferred Drug List (PDL)

All of the above lists are located at:
https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml under the
"Resources/Drug Info/General Drug Info" tab.

3.1.2   Days' Supply

- Per Rx maximum = thirty-two (32) days.
- Exceptions:
  - Maintenance Drugs:
    - Kentucky DMS utilizes the First DataBank definition for maintenance drugs.
    - For those drugs, providers should dispense up to a ninety-two (92) day supply or one hundred (100) units as per the prescriber's directions.

3.1.3   Maximum Quantity Limit (QL) and Maximum Duration (MD)

- Designated drugs are limited to specific quantities. These drugs are identified on the *Maximum Quantity Limits List* approved by the Kentucky Department for Medicaid Services. This list is located at https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml under the "Resources/Drug Info/General Drug Info" tab.
- Quantity limits may be per fill or cumulative over a designated timeframe.
- Providers can request a prior authorization for override consideration.
  - Call the Clinical Support Center at 1-800-477-3071 to speak with a live agent.
  - Prior authorization forms are located at https://kyportal.magellanmedicaid.com/provider/documents.xhtml under the "PA" tab.

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3.1.4   Refills

- Non-controlled drugs: Limited to an original fill, plus up to eleven (11) refills within three hundred and sixty-six (366) days from original date the prescription was written.
- Schedule II: No refills allowed. Each fill requires a new prescription.
- Schedule III, IV, and V: Limited to an original fill, plus five (5) refills within one hundred and eighty (180) days from original date the prescription was written.

3.1.5   Partial Fills

- In those cases where a provider does not dispense the full amount per the prescriber's directions because of a drug shortage, the pharmacy provider should submit the claim as a partial fill and indicate as such on the claim transaction.
- The dispense fees will be prorated based on the actual quantity dispensed as indicated on the incoming claim.
- The co-payment, if applicable, will be prorated beginning with the initial fill.
- The fields listed below should be used in the completion of partial fill claims:
    - **Dispense Status** (NCPDP Field # 343-HD) = **P** (partial) or **C** (completion)
        - This is an alpha field only.
    - **Intended Days Supply** (NCPDP Field # 345-HG)
        - This is a numeric field only.
        - If this field is populated, "**Intended Quantity**" must also be populated.
    - **Intended Quantity** (NCPDP Field # 344-HF)
        - This is a numeric field only.
        - If this field is populated, "**Intended Days Supply**" must also be populated.
    - **Associated Prescription Date** (NCPDP Field # 457–EP)
        - This field must be populated using the CCYYMMDD format where:
            - CC = Century
            - YY = Year
            - MM = Month
            - DD = Day
    - **Associated Prescription Number** (NCPDP Field # 456-EN)
    - **Patient Residence** (NCPDP Field # 384-4X) = Ø2, Ø3, Ø4, Ø5, Ø6 or Ø9
    - **New/Refill** = "ØØ"
        - This field is entered differently for partial fills than all other prescriptions.
        - Always enter "ØØ" for each of the four (4) partial fills per month.

- **Quantity Dispensed** (NCPDP Field # 442-E7)
  - Number dispensed for that partial fill's time period.
- **Days Supply** (NCPDP Field # 4Ø5-D5)
  - Number of days for which "**Quantity Dispensed**" for that partial fill.
- **Dispensing Status** (NCPDP Field # 343-HD)
  - "**P**" (partial fill) or "**C**" (completion of partial fill).
  - This is an alpha field only.
  - "**P**" is entered on all partials except the final one; "**C**" is entered on the last partial of the prescription.
- **Days Supply Intended to be Dispensed** (NCPDP Field # 345-HG)
  - This is a numeric field only.
  - This is the total number of days "intended" for the entire prescription.
  - If this field is populated, "**Quantity Intended to be Dispensed**" must also be populated.
  - Take "**Days Supply**" (from above) and multiply by number of partials in the month.
    - **Example:** Days supply of seven (7) multiplied by the four (4) partials in month equals the twenty-eight (28) "**Days Supply Intended to be Dispensed**".
- **Quantity Intended to be Dispensed** (NCPDP Field # 344-HF)
  - This is a numeric field only.
  - This is the total quantity "intended" to be dispensed for the entire prescription.
  - If this field is populated, "**Days Supply Intended to be Dispensed**" must also be populated.
  - Take "**Quantity Dispensed**" (from above) and multiply by number of partials in the month.
    - **Example:** Quantity Dispensed of twenty-one (21) multiplied by the four (4) partials in month equals the eighty-four (84) "**Quantity Intended to be Dispensed**".
- **Associated Prescription Date** (NCPDP Field # 457-EP)
  - Leave this "associated" field blank on partial number one (1).
  - For all other partial fills of a prescription, use the original prescription date from partial number one (1) as the "**Associated Prescription Date**".

- This field must be populated using the "CCYYMMDD" format where:
  - CC = Century
  - YY = Year
  - MM = Month
  - DD = Day
- **Associated Prescription Reference Number** (NCPDP Field # 456-EN)
  - Leave this "associated" field blank on partial number one (1).
  - For all other partial fills of a prescription, use the original prescription number from partial number one (1) as the "**Associated Prescription Reference Number**".

3.1.6 Age

- Designated drugs are subject to age edits (AE). Please refer to the most current Preferred Drug List at https://kyportal.magellanmedicaid.com/provider/public/home.xhtml for any Age Edits placed on a product
- Examples include:
  - Budesonide nebulizer solution: Must be =/<8
  - Synagis: Must be =/< 2

3.1.7 Gender

- Designated drugs are subject to gender edits.

3.1.8 Dollar Limit

- Claims for maintenance medications with a dollar amount greater than $500 and any incoming claim greater than $5,000.00 will deny and return **NCPDP Error Code 78/Cost Exceeds Maximum**.
  - Providers should validate that the appropriate quantity was entered.
  - Providers may contact the Pharmacy Support Center at 1-800-432-7005 for an override consideration.

3.1.9 Diagnosis Code

- Providers should enter the appropriate ICD-10 code to indicate the patient's diagnosis when required. Before any diagnosis code is submitted with a claim, the diagnosis code must be written on the face of the original prescription or verified with the prescriber.

3.1.10   Medication Replacement

- Members needing their medications replaced due to loss, theft, or destruction should contact Member Services at 1-800-635-2570.

3.2   Mandatory Generic Requirements

- Providers should dispense generic drugs whenever appropriate.
- Multi-source brand drugs that do not have a Maximum Allowable Cost (MAC) associated with them will require prior authorization.
- Providers can request a prior authorization for override consideration.
  - Call the Clinical Support Center at 1-800-477-3071 to speak with a live agent.
  - Prior authorization forms are located at https://kyportal.magellanmedicaid.com/provider/documents.xhtml under the "**PA**" tab.

3.3   Proprietary MAC Program

The MAC Program is a service developed and maintained by Magellan Rx Management for use by the Kentucky DMS. Its purpose is to encourage a provider to use a less expensive, therapeutically equivalent drug. Magellan Rx Management's Clinical Management Consultants regularly review the current drug price sources. A drug may be considered for MAC pricing if there are two or more manufacturers and it is listed as multi-source. Other factors considered are therapeutic equivalency ratings and availability in the marketplace. The MAC pricing is updated weekly. The specific drug pricing resources, algorithm, and MAC prices are proprietary and confidential. Distribution and access to this information is therefore limited to prevent Magellan Rx Management's competitors from obtaining free access to the information, which would result in not having to incur the costs associated with developing, maintaining, or licensing their own MAC service.

The full MAC List in a PDF can be found at https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml under the "**Resources/Drug Info/MAC**" tab. To access the list, the provider must click on the "OK" button to agree with the *Confidentiality Terms and Conditions of Use Statement,* validating that the information received is for use in billing by Kentucky Medicaid providers only and that any unauthorized reproduction, distribution, or other use of the MAC List is strictly prohibited.

If a provider does not think a MAC price is valid, he/ she may appeal the price by e-mailing or faxing a completed *MAC Price Research Request Form* (located at https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml under the "**Resources/Drug Info/MAC**" tab) to the Magellan Rx Management MAC Department. If a provider does not have Internet access, he/ she can call the Magellan Rx Management Pharmacy Support Center at 1-800-432-7005 to request that the form be faxed. If available, the provider will be supplied with one or more manufacturers that have a price comparable to the MAC price. If it is determined that there are no longer any manufacturers in that price range or if the provider can document that they do not have access to the supplied manufacturers, the MAC price and effective date will be adjusted accordingly, retroactive to the date of service for the MAC price prescription in question or other relevant date. Once the change is in effect, the provider will be informed and he/ she can re-bill the claim for the price adjustment.

Pharmacy providers should note that reimbursement paid according to the **MAC** price type, is the only reimbursement type that can be appealed to Kentucky Medicaid. Upon adjudication, if the final price type is **WAC**, **FUL, or NADAC** then **NO price adjustment** can be granted, as these reimbursement types are regulated by the federal government. If the reimbursement is calculated at Usual and Customary (U&C), the provider will need to reverse and rebill accordingly as this price is submitted on the incoming claim.

The different price types are identified on the return claim response in **NCPDP field #522-FM**. For additional information regarding Kentucky Medicaid's drug pricing and reimbursement, please see *Section 6 –Provider Reimbursement.*

3.4 Drug Coverage

3.4.1 Included

- All federal legend drugs and selected, rebateable OTCs
  - A prescription is required for covered OTCs
  - Please refer to the Over-The-Counter Drug List and the Covered Prescription Cold, Cough, and Vitamin Product List that are located at https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml under the "**Resources/Drug Info/General Drug Info**" tab.

3.4.2   Excluded

- Biologicals except Antisera
- Blood/blood plasma products
- Bulk chemicals and excipients
- DESI drugs
- Diagnostics
- Drugs used for anorexia, weight loss, or weight gain
- Drugs used for cosmetic purposes
- Drugs used to promote fertility
- Drugs to treat sexual dysfunction
- Flavorings or sweeteners for liquid medications
- Herbals
- Miscellaneous diagnostic preps
- Nutritional/dietary supplements
- Supplies
- Vaccines with the exception of COVID-19 (these are covered through other Kentucky Medicaid programs)
- Vitamin or mineral products, not listed on the Over-The-Counter (OTC) Drug List or on the Covered Prescription Cold, Cough, and Vitamin Product List
- Cold and Cough Preparation, not listed on the Covered Prescription Cold, Cough, and Vitamin Product List

3.5   Member Payment Information

3.5.1   Co-payment

Assessed co-pays are based on the benefit package the member has been assigned. The Kentucky Medicaid co-pay structure is as follows:

- $1.00 for all generics
- $4.00 for preferred brands

3.5.2 Exceptions to Co-Payment

- Pregnant women do not have a co-pay for medications. To override/waive a co-payment on each prescription, pharmacists should enter the following pregnancy indicator each time in NCPDP Field # 335-2C: 2 = pregnant.
    - Pregnant women should be charged $0.00 co-payment for no more than eleven (11) months (including sixty (60) days postpartum). After sixty (60) days postpartum, the pharmacist should stop entering the "2" to override co-payment for the fill of current prescriptions. No further action will be required by the pharmacist, and normal co-payment will resume.
- The system will recognize family planning drugs (contraceptives) and will automatically waive co-payment.
- LTC members are not charged a co-payment.
    - Providers should enter Patient Residence (NCPDP Field # 384-4X) ="2" (Skilled Nursing Facility), "3" (Nursing Home), "4" (Assisted Living Facility), "5" (Custodial Care Facility), "6" (Group Home), or "9" (Intermediate Care Facility) in order to identify that the patient is in a LTC facility.
- Diabetic supplies defined in *Section 3.13 – Diabetic Supplies* will have a standard co-payment of $4.00 for the first claim filled on a calendar day and a $0.00 co-payment for each subsequent diabetic supply filled on the same calendar day, if the patient has a benefit package that indicates a co-pay.
- All covered tobacco cessation products, including OTC and prescription required, will be exempt from co-pays.
- Children under the age of 18 do not have a co-pay.

3.5.3 Annual Benefit Maximum

- There is no annual benefit maximum.

3.5.4 Deductible

- There is no deductible.

3.6 Prior Authorization

Magellan Rx Management's prior authorization process is designed to provide rapid, timely responses to prior authorization requests. Prior authorization's will be managed for DMS by one (1) of the following methods:

- Clinical Support Center: 1-800-432-7005
- Pharmacy Support Center: 1-800-477-3071
- Direct Pharmacy Level Overrides

The following tables provide the products for each PA method.

Prior Authorization: Clinical Support Center
Contact the Magellan Rx Management Clinical Support Center: 1-800-477-3071

Contact the Magellan Rx Management Clinical Support Center: 1-800-477-3071

PA Request Forms can be found at:
https://kyportal.magellanmedicaid.com/provider/public/home.xhtml under the
Resources/Documents/PA tab

- Normal Fax: 800-365-8835
- Urgent Fax: 800-421-9064
- LTC/MH Fax: 800-453-2273

For prior authorization or override consideration regarding the following denial reasons:

Reason	
Prior Authorization Required	Prescriber calls or sends fax using appropriate form.
PDL	Prescriber calls or sends fax using appropriate form.
Quantity/Day's Supply/ Dosing Limitations	Prescriber calls or sends fax using appropriate form.
Step Therapy	Prescriber calls or sends fax using appropriate form.
Brand Necessary	Prescriber sends fax using appropriate form.
Medicare Part B	A claim for a Medicare-covered drug will deny if the member enrollment information indicates that member has Medicare Part B coverage for the DOS. If the drug is being administered for a non-Medicare covered reason, the prescriber sends a fax using the appropriate prior authorization form.

Prior Authorization/Override: Pharmacy Support Center	
Contact the Magellan Rx Management Pharmacy Support Center: 1-800-432-7005	
For override consideration regarding the following denial reasons:	
Reason	
Dollar Limit	A claim greater than $5,000.00 will deny. Providers should first validate that the appropriate quantity has been submitted. Providers should then contact Magellan Rx Management's Pharmacy Support Center for override consideration.
Timely Filing Limits	A claim exceeding three hundred and sixty six (366) days from the original DOS will deny. Providers should contact Magellan Rx Management's Pharmacy Support Center for override consideration.
Lock-Ins	Providers should contact Magellan Rx Management's Pharmacy Support Center for override consideration.
Early Refill (ER)	Providers should contact Magellan Rx Management's Pharmacy Support Center for override consideration.

Provider Level Overrides	
Provider level overrides allowed.	
For override consideration regarding the following denial reasons:	
Reason	
ProDUR	Providers may override the following ProDUR conditions: • Therapeutic Duplication (TD) • Ingredient Duplicate (ID) • Drug to Drug Interactions (DD) – In order to override when approved conditions are met, providers should use appropriate DUR codes to indicate the Reason for Service (Conflict), Professional Service (Intervention), and Result of Service (Outcome).
Emergency	Providers may override PA conditions in emergency situations. • In order to override when approved conditions are met, providers should enter the appropriate Level of Service code to override. • An override can be entered once per member, per drug, per one hundred and eighty (180) rolling calendar days.
COB/TPL	Providers may override coordination of benefits (COB) using designated override codes in approved conditions. • In order to override when approved conditions are met, providers should enter the appropriate COB codes and/or Prior Authorization Type code.

3.7 Emergency Procedures

• All providers should follow normal PA procedures, except in emergency conditions.

• The emergency override is intended for unique circumstances where general prior authorization procedures cannot be followed and the situation is considered life threatening.

• Providers may override PA requirements by entering LEVEL OF SERVICE (NCPDP Field # 418-DI) – "Ø3" (emergency) under the following guidelines:

  – Overrides must be outside of normal business hours.

  – Overrides must be for a three (3)-day supply except where the package must be dispensed intact.

  – OTCs cannot be overridden.

  – Drugs normally not covered cannot be overridden.

3.8 Coordination of Benefits (COB)

• Online COB (cost avoidance) is required.

• Kentucky Medicaid is always the payer of last resort. Providers must bill all other payers first and then bill the Kentucky Medicaid.

- Magellan Rx Management will return the following other payer details in the "Coordination of Benefits/Other Payers Response" segment, if on file:
  - Other Payer ID
  - Other Payer (carrier) Name
  - Policy Number
  - Reimbursement will be calculated to pay up to the Medicaid allowed amount less the third-party payment.

3.8.1   Medicare Part D

When Kentucky Medicaid members become eligible for Medicare Part D, DMS will only cover selected Medicare Part D excluded drugs for these dual-eligible individuals.

3.8.2   TPL Processing Grid

Other Coverage Code (NCPDP Field # 3Ø8-C8)	Claim Disposition	Notes
Ø = Not specified		This code will not override TPL File.
1 = No other coverage identified	Do not allow for override	Not Allowed for Kentucky
2 = Other coverage exists, payment collected	Allow for override	Used when payment is collected from the primary.
3 = Other coverage exists, claim not covered	Do not allow for override	Not Allowed for Kentucky
4 = Other coverage exists, payment not collected	Do not allow for override	Not Allowed for Kentucky
5 = Managed care plan denial	Do not allow for override	Not Allowed for Kentucky
6 = Other coverage exists, not a participating provider	Do not allow for override	Not Allowed for Kentucky
7 = Other coverage exists, not in effect on DOS	Do not allow for override	Not Allowed for Kentucky
8 = Co-payment only	Do not allow for override	Not Allowed for Kentucky

3.8.3   Other Payer Reject Code (NCPDP Field # 472-6E)

- "4" – Pharmacy not contracted with plan on date of service
- "65" – Patient is not covered
- "67" – Filled before coverage effective
- "68" – Filled after coverage expired
- "69" – Filled after coverage terminated
- "7" – Product/Service not covered
- "73" – Refills are not covered
- "76" – Plan limitations exceeded

3.9   Long-Term Care (LTC)

- In order to identify that the patient is in a Long-Term Care (LTC) facility, providers should enter Patient Residence (NCPDP Field # 384-4X) =
    - "2" (Skilled Nursing Facility);
    - "3" (Nursing Home);
    - "4" (Assisted Living Facility);
    - "5" (Custodial Care Facility);
    - "6" (Group Home); or
    - "9" (Intermediate Care Facility).
- Providers should indicate pharmacy repackaging by entering a **SPECIAL PACKAGING INDICATOR** (NCPDP Field # 429-DT) = "Ø3" and the appropriate amount in the (NCPDP Field # 438-E3). The cap is $25.00 per prescription.

3.10   Medicare Covered Drugs

- Medicare Part B and Part D drugs will not be covered by the Kentucky Department for Medicaid Services. These claims will deny with NCPDP Error Code "41" and the supplemental message of "Submit bill to other process or primary payer" with the additional message: "Bill Medicare Part D; Other payer not cost avoided."
- Crossover billing is not part of the POS system. Please contact Gainwell at 1-800--807-1232.

3.11   Compounds or Home IV

Method of Submission (since February 1, 2005) for Compound Prescription – Must use Multi-Ingredient Compound Segment:

Fields Required for Submitting Multi-Ingredient Compounds:

On CLAIM SEGMENT

- Enter **COMPOUND CODE** (NCPDP Field # 4Ø6-D6) of "2"
- Enter **PRODUCT CODE/NDC** (NCPDP Field # 4Ø7-D7) as "Ø" on the claim segment to identify the claim as a multi-ingredient compound.
- Enter **QUANTITY DISPENSED** (NCPDP Field # 442-E7) of entire product.
- **SUBMISSION CLARIFICATION CODE** (NCPDP Field # 42Ø-DK) = Value "8" will only be permitted for POS (not valid for paper claims) and should be used only for compounds with both rebateable and non-rebateable ingredients. This value allows the provider to be reimbursed for rebateable ingredients only. Use only if claim rejects for "non-rebateable."

On PRICING SEGMENT

- Enter **GROSS AMOUNT DUE** (NCPDP Field # 43Ø-DU) for entire product.

On COMPOUND SEGMENT

- **COMPOUND DOSAGE FORM DESCRIPTION CODE** (NCPDP Field # 45Ø-EF)
- **COMPOUND DISPENSING UNIT FORM INDICATOR** (NCPCP Field # 451-EG)
- **ROUTE OF ADMINISTRATION** (NCPCP Field # 995-E2)
- **COMPOUND INGREDIENT COMPONENT COUNT** (NCPCP Field #447-EC) (Maximum of 25)

For Each Line Item:

- **COMPOUND PRODUCT ID QUALIFIER** (NCPCP Field # 488-RE) of "3"
- **COMPOUND PRODUCT ID** (NCPDP Field # 489-TE)
- **COMPOUND INGREDIENT QUANTITY** (NCPDP Field # 448-ED)
- **COMPOUND INGREDIENT COST** (NCPDP Field # 449-EE)

3.12   Lock-In

- A member may be locked into a prescriber, pharmacy provider, or both.
- Providers should contact the Magellan Rx Management Pharmacy Support Center for override consideration at 1-800-432-7005.

3.13   Diabetic Supplies

Beginning October 5, 2010, diabetic supplies were covered through the pharmacy POS program and not through the durable medical equipment (DME) program:

- Syringes with needles (sterile, 1cc or less)
- Urine test or reagent strips or tablets
- Blood ketone test or reagent strip
- Blood glucose test or reagent strips for home blood glucose monitor
- Normal, low, or high calibrator solution, chips
- Spring-powered device for lancet
- Lancets
- Home blood glucose monitor
    - **Note: The co-pay for meters will be $0.00 for all covered members.** If the patient has a benefit package that indicates a co-pay, diabetic supplies listed above will have a standard co-pay of $4.00 for the first claim filled on a calendar day. No co-pay will be assessed for each subsequent diabetic supply filled on the same calendar day.

Claim Adjudication: For assistance, please contact the Pharmacy Support Center at 1-800-432-7005.

Diabetic Supply Information: For the list of preferred products and information relating to diabetic supplies, please visit the Provider Web Portal at https://kentucky.magellanmedicaid.com/provider/public/documents.xhtml under the "Resources/Documents/Diabetic Supply" tab.

4.0   Prospective Drug Utilization Review (ProDUR)

ProDUR encompasses the detection, evaluation, and counseling components of pre-dispensing drug therapy screening. The ProDUR system of Magellan Rx Management assists the pharmacist in these functions by addressing situations in which potential drug problems may exist. ProDUR performed prior to dispensing, helps pharmacists ensure that their patients receive appropriate medications. This is accomplished by providing information to the dispensing pharmacist that may not have been previously available.

Because Magellan Rx Management's ProDUR system examines claims from all participating pharmacies, drugs that interact or are affected by previously dispensed medications can be detected. Magellan Rx Management recognizes that the pharmacist uses his or her education and professional judgment in all aspects of dispensing. ProDUR is offered as an informational tool to aid the pharmacist in performing his or her professional duties.

4.1   Therapeutic Problems

ProDUR (concurrent) edits apply to all claims unless otherwise identified.

4.2   Pharmacy Support Center

The Magellan Rx Management Pharmacy Support Center is available twenty-four (24) hours per day, seven (7) days a week. The telephone number is 1-800-432-7005. Alert message information is available from the Pharmacy Support Center after the message appears. If you need assistance with any alert or denial messages, it is important to contact the Pharmacy Support Center about the ProDUR messages at the time of dispensing. The Pharmacy Support Center can provide claims information on all error messages sent by the ProDUR system. This information includes NDCs and drug names of the affected drugs, DOS, whether the calling pharmacy is the dispensing pharmacy of the conflicting drug, and day's supply.

Magellan Rx Management's Pharmacy Support Center is not intended to be used as a clinical consulting service and cannot replace or supplement the professional judgment of the dispensing pharmacist. Magellan Rx Management has used reasonable care to accurately compile ProDUR information. Because each clinical situation is unique, this information is intended for pharmacists to use at their own discretion in the drug therapy management of their patients.

A second level of assistance is available if a provider's question requires a clinical response. To address these situations, Magellan Rx Management's staff pharmacists are available for consultation.

Magellan Rx Management's ProDUR is an integral part of the claims adjudication process. ProDUR includes reviewing claims for therapeutic appropriateness before the medication is dispensed, reviewing the available medical history, focusing on those patients at the highest severity of risk for harmful outcome, and intervening and/or counseling when appropriate.

4.3   ProDUR Alert/Error Messages

All ProDUR alert messages appear at the end of the claims adjudication transmission. Alerts will appear in the following format:

Format	Field Definitions
Reason For Service	Two (2) characters. Code identifying the type of utilization conflict detected; e.g., Therapeutic Duplication (TD)
Clinical Significance	One (1) character. Code indicating the significance or severity level of a clinical event. • 1 = Major • 2 = Moderate • 3 = Minor
Other Pharmacy Indicator	One (1) character. Indicates if the dispensing provider also dispensed the first drug in question. • Ø= No Value • 1 = Your pharmacy • 3 = Other pharmacy
Previous Date Of Fill	Eight (8) characters. Indicates previous fill date of conflicting drug in YYYYMMDD format. • YYYY = Year • MM = Month • DD = Day
Quantity Of Previous Fill	Five (5) characters. Indicates quantity of conflicting drug previously dispensed.
Data Base Indicator	One (1) character. Indicates source of ProDUR message. • 1 = First DataBank • 4 = Processor Developed
Other Prescriber	One (1) character. Indicates the prescriber of conflicting prescription. • Ø = No Value • 1 = Same Prescriber • 2 = Other Prescriber

5.0   Edits

5.1   Online Claims Processing Messages

Following an online claim submission by a pharmacy, the system will return a message to indicate the outcome of processing. If the claim passes all edits, a "**Paid**" message will be returned with the Kentucky DMS allowed amount for the paid claim. A claim that fails an edit and is rejected or denied will also return a message. The following is a list of NCPDP rejection codes and descriptions.

As shown below, an NCPDP error code is returned with an NCPDP message. Where applicable, the NCPDP field that should be checked is referenced. Check the "Possible Solutions" box if you are experiencing difficulties. For further assistance, contact Magellan Rx Management at 1-800-432-7005.

5.1.1   POS Reject Codes and Messages

All edits may not apply to this program.

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
Ø1	M/I Bin	1Ø1	Enter Ø11529.
Ø2	M/I Version Number	1Ø2	NCPDP version D. Ø is required.
Ø3	M/I Transaction Code	1Ø3	Transactions allowed = B1, B2, B3, E1.
Ø4	M/I Processor Control Number	1Ø4	Enter PØ22Ø11529.
Ø5	M/I Pharmacy Number	2Ø1	Enter NPI. Check with the software vendor to ensure appropriate number has been set up in your system.
Ø6	M/I Group Number	3Ø1	Enter KYMEDICAID.
Ø7	M/I Cardholder ID Number	3Ø2	Enter the Kentucky Medicaid Member ID number only. Do not enter any other patient ID. Do not enter any dashes. Providers should always examine a member's ID card before services are rendered. **It is the provider's responsibility to establish the identity of the member and to verify the effective date of coverage for the card presented.**

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
Ø8	M/I Person Code	3Ø3	
Ø9	M/I Birth Date	3Ø4	Format = YYYYMMDD (no dashes). • YYYY = Year • MM = Month • DD = Day
1Ø	M/I Patient Gender Code	3Ø5	Values: • Ø = not specified • 1 = male • 2 = female
11	M/I Patient Relationship Code	3Ø6	1 (cardholder).
12	M/I PLACE OF SERVICE	3Ø7	
13	M/I Other Coverage Code	3Ø8	See *Section 3.8 – Coordination of Benefits*.
14	M/I Eligibility Clarification Code	3Ø9	
15	M/I Date of Service	4Ø1	Format = YYYYMMDD (no dashes). A future date is not allowed in this field. • YYYY = Year • MM = Month • DD = Day
16	M/I Prescription/Service Reference Number	4Ø2	Format = NNNNNNN. • N = number
17	M/I Fill Number	4Ø3	Enter "Ø" for a new prescription. Acceptable values for a refill prescription range from 1 to 99. **KY REFILL REQUIREMENTS:** • DEA = "0" Up to 11 within 366 days from original Date Rx Written • DEA = "II" No refills • DEA = "III – V" Limited to original plus 5 refills within 180 days from original Date Rx Written
19	M/I Days Supply	4Ø5	Format = NNN. Enter the days' supply, "PRN" is not allowed. • N = number

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
2C	M/I Pregnancy Indicator	335	Enter "2" to indicate the patient is pregnant and to waive co-payment. After sixty (60) days postpartum, stop entering "2" to override co-payment.
2E	M/I Primary Care Provider ID Qualifier	468	
2Ø	M/I Compound Code	4Ø6	
21	M/I Product/Service ID	4Ø7	Enter eleven (11) digit NDC only. Do not enter any dashes.
22	M/I Dispense As Written (DAW)/Product Selection Code	4Ø8	Enter "1" to indicate substitution not allowed by prescriber.
23	M/I Ingredient Cost Submitted	4Ø9	
25	M/I Prescriber ID	411	Enter the NPI.
26	M/I Unit of Measure	6ØØ	Enter the appropriate Unit of Measure (UM) for the product dispensed. Values: • EA = each • GM = grams • ML = milliliters
28	M/I Date Prescription Written	414	Format = YYYYMMDD (no dashes). A future date is not allowed. • YYYY = Year • MM = Month • DD = Day
29	M/I Number Refills Authorized	415	Enter the number of refills as authorized by the prescriber.
3A	M/I Request Type	498-PA	
3B	M/I Request Period Date-Begin	498-PB	
3C	M/I Request Period Date-End	498-PC	
3D	M/I Basis of Request	498-PD	
3E	M/I Authorized Representative First Name	498-PE	
3F	M/I Authorized Representative Last Name	498-PF	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
3G	M/I Authorized Representative Street Address	498-PG	
3H	M/I Authorized Representative City Address	498-PH	
3J	M/I Authorized Representative State/Province Address	498-PJ	
3K	M/I Authorized Representative Zip/Postal Zone	498-PK	
3M	M/I Prescriber Phone Number	498-PM	
3N	M/I Prior Authorized Number Assigned	498-PY	
3P	M/I Authorization Number	5Ø3	
3R	Prior Authorization Not Required	4Ø7	
3S	M/I Prior Authorization Supporting Documentation	498-PP	
3T	Active Prior Authorization Exists Resubmit at Expiration of Prior Authorization		
3W	Prior Authorization In Process		
3X	Authorization Number Not Found	5Ø3	
3Y	Prior Authorization Denied		
32	M/I Level of Service	418	
33	M/I Prescription Origin Code	419	
34	M/I Submission Clarification Code	42Ø	
35	M/I Primary Care Provider ID	421	
38	M/I Basis of Cost	423	
39	M/I Diagnosis Code	424	Enter the appropriate ICD-10 Code.
4C	M/I Coordination of Benefits/Other Payments Count	337	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
4E	M/I Primary Care Provider Last Name	57Ø	
4X	M/I Patient Residence Code	384	
4Ø	Pharmacy Not Contracted with Plan on Date of Service	None	Enter the NPI; check DOS. Call the Provider Management/Enrollment Department if necessary (see *Section 1.1 – Important Contact Information*).
41	Submit Bill to Other Processor or Primary Payer	None	
5C	M/I Other Payer Coverage Type	338	
5E	M/I Other Payer Reject Count	471	
5Ø	Non-Matched Pharmacy Number	2Ø1	Enter the NP). Check lock-in status of member.
51	Non-Matched Group ID	3Ø1	Enter KYMEDICAID group only.
52	Non-Matched Cardholder ID	3Ø2	Enter member's Kentucky Medicaid ID number only. Do not enter any other patient ID. Do not enter any dashes.
53	Non-Matched Person Code	3Ø3	
54	Non-Matched Product/Service ID Number	4Ø7	Enter eleven (11) digit NDC.
55	Non-Matched Product Package Size	4Ø7	
56	Non-Matched Prescriber ID	411	Enter the NPI.
58	Non-Matched Primary Prescriber	421	
6C	M/I Other Payer ID Qualifier	422	
6E	M/I Other Payer Reject Code	472	
6Ø	Product/Service Not Covered for Patient Age	3Ø2, 3Ø4, 4Ø1, 4Ø7	
61	Product/Service Not Covered for Patient Gender	3Ø2, 3Ø5, 4Ø7	
62	Patient/Card Holder ID Name Mismatch	31Ø, 311, 312, 313, 32Ø	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
63	Institutionalized Patient Product/Service ID Not Covered		Drug not covered for member in a LTC facility.
64	Claim Submitted Does Not Match Prior Authorization	2Ø1, 4Ø1, 4Ø4, 4Ø7, 416	
65	Patient Is Not Covered	3Ø3, 3Ø6	
66	Patient Age Exceeds Maximum Age	3Ø3, 3Ø4, 3Ø6	
67	Filled Before Coverage Effective	4Ø1	Enter member's Kentucky Medicaid ID number only. Do not enter any other patient ID. Do not enter any dashes. Check DOS. Check Group Number.
68	Filled After Coverage Expired	4Ø1	Enter member's Kentucky Medicaid ID number only. Do not enter any other patient ID. Do not enter any dashes. Check DOS. Check Group Number.
69	Filled After Coverage Terminated	4Ø1	
7C	M/I Other Payer ID	34Ø	
7E	M/I DUR/PPS Code Counter	473	
7Ø	Product/Service Not Covered	4Ø7	Enter eleven (11) digit NDC. Drug not covered.
71	Prescriber is Not Covered	411	
72	Primary Prescriber is Not Covered	421	
73	Refills are Not Covered	4Ø2, 4Ø3	
74	Other Carrier Payment Meets or Exceeds Payable	4Ø9, 41Ø, 442	
75	Prior Authorization Required	462	Validate eleven (11) digit NDC. Follow PA procedures if appropriate.
76	Plan Limitations Exceeded	4Ø5, 442	Validate days' supply and quantity dispensed. Follow PA procedures if appropriate.

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
77	Discontinued Product/Service ID Number	4Ø7	Validate eleven (11) digit NDC. NDC is obsolete.
78	Cost Exceeds Maximum	4Ø7, 4Ø9, 41Ø, 442	Claims will deny if greater than $5,000.00. Provider must contact the Magellan Rx Management Pharmacy Support Center for override consideration.
79	Refill Too Soon	4Ø1, 4Ø3, 4Ø5	Ninety (90) percent of day's supply from previous claim has not been utilized. Prior fill may be from a different provider.
8C	M/I Facility ID	336	
8E	M/I DUR/PPS Level of Effort	474	
8Ø	Drug-Diagnosis Mismatch	4Ø7, 424	
81	Claim Too Old	4Ø1	Check DOS. Contact the Magellan Rx Management Pharmacy Support Center for override consideration when appropriate.
82	Claim is Post-Dated	4Ø1	
83	Duplicate Paid/Captured Claim	2Ø1, 4Ø1, 4Ø2, 4Ø3, 4Ø7	
84	Claim Has Not Been Paid/Captured	2Ø1, 4Ø1, 4Ø2	
85	Claim Not Processed	None	
86	Submit Manual Reversal	None	
87	Reversal Not Processed	None	Provider number, DOS, and prescription number must equal original claim.
88	DUR Reject Error		
89	Rejected Claim Fees Paid		
9Ø	Host Hung Up		Processing host did not accept transaction/did not respond within time out period.
91	Host Response Error		
92	System Unavailable/Host Unavailable		

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Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
95	Time Out		
96	Scheduled Downtime		
97	Payer Unavailable		
98	Connection to Payer is Down		
99	Host Processing Error		Do not retransmit claim(s).
AA	Patient Spend down Not Met		
AB	Date Written is After Date Filled		
AC	Product Not Covered Non-Participating Manufacturer		
AD	Billing Provider Not Eligible to Bill this Claim Type		
AE	QMB (Qualified Medicare Beneficiary) Bill Medicare		
AF	Patient Enrolled Under Managed Care		
AG	Days Supply Limitation for Product/Service		
AH	Unit Dose Packaging Only Payable for Nursing Home Members		
AJ	Generic Drug Required		
AK	M/I Software Vendor/Certification ID	11Ø	
AM	M/I Segment Identification	111	
A9	M/I Transaction Count	1Ø9	
BE	M/I Professional Service Fee Submitted	477	
B2	M/I Service Provider ID Qualifier	2Ø2	Enter "Ø1" for NPI.
CA	M/I Patient First Name	31Ø	
CB	M/I Patient Last Name	311	
CC	M/I Cardholder First Name	312	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
CD	M/I Cardholder Last Name	313	
CE	M/I Home Plan	314	
CF	M/I Employer Name	315	
CG	M/I Employer Street Address	316	
CH	M/I Employer City Address	317	
CI	M/I Employer State/Province Address	318	
CJ	M/I Employer Zip Postal Zone	319	
CK	M/I Employer Phone Number	32Ø	
CL	M/I Employer Contact Name	321	
CM	M/I Patient Street Address	322	
CN	M/I Patient City Address	323	
CO	M/I Patient State/Province Address	324	
CP	M/I Patient Zip/Postal Zone	325	
CQ	M/I Patient Phone Number	326	
CR	M/I Carrier ID	327	
CW	M/I Alternate ID	33Ø	
CX	M/I Patient ID Qualifier	331	
CY	M/I Patient ID	332	
CZ	M/I Employer ID	333	
DC	M/I Dispensing Fee Submitted	412	
DN	M/I Basis of Cost Determination	423	
DQ	M/I Usual & Customary Charge	426	
DR	M/I Prescriber Last Name	427	
DT	M/I Special Packaging Indicator	429	
DU	M/I Gross Amount Due	43Ø	
DV	M/I Other Payer Amount Paid	431	
DX	M/I Patient Paid Amount Submitted	433	Do not submit any value > Ø.
DY	M/I Date of Injury	434	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
DZ	M/I Claim/Reference ID	435	
EA	M/I Originally Prescribed Product/Service Code	445	
EB	M/I Originally Prescribed Quantity	446	
EC	M/I Compound Ingredient Component Count	447	
ED	M/I Compound Ingredient Quantity	448	
EE	M/I Compound Ingredient Drug Cost	449	
EF	M/I Compound Dosage Form Description Code	45Ø	
EG	M/I Compound Dispensing Unit Form Indicator	451	
EH	M/I Compound Route of Administration	452	
EJ	M/I Originally Prescribed Product/Service ID Qualifier	453	
EK	M/I Scheduled Prescription ID Number	454	
EM	M/I Prescription/Service Reference Number Qualifier	445	
EN	M/I Associated Prescription/Service Reference Number	456	
EP	M/I Associated Prescription/Service Date	457	
ER	M/I Procedure Modifier Code	459	
ET	M/I Quantity Prescribed	46Ø	
EU	M/I Prior Authorization Type Code	461	
EV	M/I Prior Authorization Number Submitted	462	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)		
EW	M/I Intermediary Authorization Type ID	463	
EX	M/I Intermediary Authorization ID	464	
EY	M/I Provider ID Qualifier	465	
EZ	M/I Prescriber ID Qualifier	466	Enter "Ø1" for NPI.
E1	M/I Product/Service ID Qualifier	436	
E2	M/I Route of Administration	995	
E3	M/I Incentive Amount Submitted	438	
E4	M/I Reason for Service Code	439	
E5	M/I Professional Service Code	44Ø	
E6	M/I Result of Service Code	441	
E7	M/I Quantity Dispensed	442	
E8	M/I Other Payer Date	443	
E9	M/I Provider ID	444	
FO	M/I Plan ID	524	
GE	M/I Percentage Sales Tax Amount Submitted	482	
HA	M/I Flat Sales Tax Amount Submitted	481	
HB	M/I Other Payer Amount Paid Count	341	
HC	M/I Other Payer Amount Paid Qualifier	342	
HD	M/I Dispensing Status	343	
HE	M/I Percentage Sales Tax Rate Submitted	483	
HF	M/I Quantity Intended to be Dispensed	344	
HG	M/I Days Supply Intended to be Dispensed	345	
H1	M/I Measurement Time	495	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
H2	M/I Measurement Dimension	496	
H3	M/I Measurement Unit	497	
H4	M/I Measurement Value	499	
H5	M/I Primary Care Provider Location Code	469	
H6	M/I DUR Co-Agent ID	476	
H7	M/I Other Amount Claimed Submitted Count	478	
H8	M/I Other Amount Claimed Submitted Qualifier	479	
H9	M/I Other Amount Claimed Submitted	48Ø	
JE	M/I Percentage Sales Tax Basis Submitted	484	
J9	M/I DUR Co-Agent ID Qualifier	475	
KE	M/I Coupon Type	485	
M1	Patient Not Covered in this Aid Category		
M2	Member Locked In		
M3	Host PA/MC Error		
M4	Prescription/Service Reference Number/Time Limit Exceeded		
M5	Requires Manual Claim		
M6	Host Eligibility Error		
M7	Host Drug File Error		
M8	Host Provider File Error		
ME	M/I Coupon Number	486	
MZ	Error Overflow		
NE	M/I Coupon Value Amount	487	
NN	Transaction Rejected At Switch or Intermediary		

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
PA	PA Exhausted/Not Renewable		
PB	Invalid Transaction Count for This Transaction Code	1Ø3, 1Ø9	
PC	M/I Claim Segment	111	
PD	M/I Clinical Segment	111	
PE	M/I COB/Other Payments Segment	111	
PF	M/I Compound Segment	111	
PG	M/I Coupon Segment	111	
PH	M/I DUR/PPS Segment	111	
PJ	M/I Insurance Segment	111	
PK	M/I Patient Segment	111	
PM	M/I Pharmacy Provider Segment	111	
PN	M/I Prescriber Segment	111	
PP	M/I Pricing Segment	111	
PR	M/I Prior Authorization Segment	111	
PS	M/I Transaction Header Segment	111	
PT	M/I Workers' Compensation Segment	111	
PV	Non-Matched Associated Prescription/Service Date	457	
PW	Non-Matched Employer ID	333	
PX	Non-Matched Other Payer ID	34Ø	
PY	Non-Matched Unit Form/Route of Administration	451, 452, 6ØØ	
PZ	Non-Matched Unit Of Measure to Product/Service ID	4Ø7, 6ØØ	
P1	Associated Prescription/Service Reference Number Not Found	456	
P2	Clinical Information Counter Out of Sequence	493	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
P3	Compound Ingredient Component Count Does Not Match Number of Repetitions	447	
P4	Coordination of Benefits/Other Payments Count Does Not Match Number of Repetitions	337	
P5	Coupon Expired	486	
P6	Date of Service Prior to Date of Birth	3Ø4, 4Ø1	
P7	Diagnosis Code Count Does Not Match Number of Repetitions	491	
P8	DUR/PPS Code Counter Out of Sequence	473	
P9	Field is Non-Repeatable		
RA	PA Reversal Out of Order		
RB	Multiple Partials Not Allowed		
RC	Different Drug Entity Between Partial and Completion		
RD	Mismatched Cardholder/Group ID-Partial to Completion	3Ø1, 3Ø2	
RE	M/I Compound Product ID Qualifier	488	
RF	Improper Order of "Dispensing Status" Code on Partial Fill Transaction		
RG	M/I Associated Prescription/Service Reference Number on Completion Transaction	456	
RH	M/I Associated Prescription/Service Date on Completion Transaction	457	
RJ	Associated Partial Fill Transaction Not on File		

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
RK	Partial Fill Transaction Not Supported		
RM	Completion Transaction Not Permitted With Same "Date of Service" as Partial Transaction	4Ø1	
RN	Plan Limits Exceeded on Intended Partial Fill Values	344, 345	
RP	Out Of Sequence "P" Reversal on Partial Fill Transaction		
RS	M/I Associated Prescription/Service Date on Partial Transaction	457	
RT	M/I Associated Prescription/Service Reference Number on Partial Transaction	456	
RU	Mandatory Data Elements Must Occur Before Optional Data Elements in a Segment		
R1	Other Amount Claimed Submitted Count Does Not Match Number of Repetitions	478, 48Ø	
R2	Other Payer Reject Count Does Not Match Number of Repetitions	471, 472	
R3	Procedure Modifier Code Count Does Not Match Number of Repetitions	458, 459	
R4	Procedure Modifier Code Invalid for Product/Service ID	4Ø7, 436, 459	
R5	Product/Service ID Must be Zero When Product/Service ID Qualifier Equals Ø6	4Ø7, 436	
R6	Product/Service Not Appropriate for this Location	3Ø7, 4Ø7, 436	

Reject Code	Explanation	Field Number Possibly In Error	Possible Solutions
("M/I" Means Missing/Invalid)			
R7	Repeating Segment Not Allowed in Same Transaction		
R8	Syntax Error		
R9	Value in Gross Amount Due Does Not Follow Pricing Formula	43Ø	
SE	M/I Procedure Modifier Code Count	458	
TE	M/I Compound Product ID	489	
UE	M/I Compound Ingredient Basis of Cost Determination	49Ø	
VE	M/I Diagnosis Code Count	491	
WE	M/I Diagnosis Code Qualifier	492	
XE	M/I Clinical Information Counter	493	
ZE	M/I Measurement Date	494	

5.2   Host System Problems

Occasionally, providers may receive a message that indicates their network is having technical problems communicating with Magellan Rx Management.

NCPDP	Message
9 Ø	Host Hung Up.

Host disconnected before session completed.

NCPDP	Message
92	System Unavailable/Host Unavailable.

Processing host did not accept transaction or did not respond within timeout period.

NCPDP	Message
93	Planned Unavailable.

Transmission occurred during scheduled downtime. Magellan Rx Management will provide system availability.

5.2.1   System Hours of Availability

- Twenty-four (24) hour availability – Except Saturday into Sunday.
  - Saturday down at 11:00 p.m., ET
  - Sunday up at 6:00 a.m., ET

NCPDP	Message
99	Host Processing Error.

Do not retransmit claim(s).

5.3   DUR Fields

In those cases where provider-level overrides have been authorized, providers should use the following codes when applicable.

NCPDP	Message
88	DUR Reject Error.

5.3.1   DUR Reason for Service

The DUR **Reason for Service Code** (previously "Conflict Code") is used to define the type of utilization conflict that was detected (NCPDP Field # 439-E4).

Valid DUR **Reason for Service Codes** for the Kentucky Medicaid Program are as follows:

- DD = Drug to Drug Interaction
- TD = Therapeutic Duplication
- ID = Ingredient Duplication

NCPDP	Message
E4	M/I DUR Conflict/Reason for Service Code.

5.3.2 DUR Professional Service

The DUR **Professional Service Code** (previously "Intervention Code") is used to define the type of interaction or intervention that was performed by the pharmacist (NCPDP Field # 440-E5).

Valid DUR **Professional Service Codes** for the Kentucky Medicaid Program are:

- GP = Generic product selection
- M Ø = Prescriber consulted
- MR = Medication review
- PH = Patient medication history
- P Ø = Patient consulted
- R Ø = RPh consulted other source

NCPDP	Message
E5	M/I DUR Intervention/Professional Service Code.

5.3.3 DUR Result of Service

The DUR **Result of Service Code** (previously "Outcome Code") is used to define the action taken by the pharmacist in response to a ProDUR Reason for Service or the result of a pharmacist's **Professional Service Code** (NCPDP Field # 441-E6).

Valid DUR **Result of Services Codes** for the Kentucky Medicaid Program includes the following:

- 1A = Filled as is, false positive
- 1B = Filled prescription as is
- 1C = Filled with different dose
- 1D = Filled with different directions
- 1E = Filled with different drug
- 1F = Filled with different quantity
- 1G = Filled with prescriber approval
- 2A = Prescription not filled
- 2B = Not filled, directions clarified
- 3C = Discontinued
- 3D = Regimen changed
- 3E = Therapy changed

NCPDP	Message
E6	M/I DUR Outcome/Result of Service Code.

6.0   Provider Reimbursement

6.1   Provider Payment Algorithms

- The provider is paid at the lesser of:
    - Wholesale Acquisition Cost (WAC) + dispense fee; **OR**
    - Federal Upper Limit (FUL) + dispense fee; **OR**
    - State Maximum Allowable Cost (MAC) + dispense fee; **OR**
    - National Average Drug Acquisition Cost (NADAC) + dispense fee; **OR**
    - Usual & Customary (U & C); **OR**
    - 340B ceiling price
- A professional dispensing fee of **$10.64** per provider per recipient per drug per month shall be reimbursed for any qualifying dispense.
- If a non-preferred product is submitted and the claim pays at MAC or FUL, providers can submit a DAW Code of "1" to override MAC and/or FUL once a PA request is submitted and approved.

6.1.1   340b

- Providers should submit acquisition costs as Usual and Customary (UC).
- The provider payment algorithms listed above will be utilized for reimbursement.

6.1.2   Unit Dose Repackaging

- Providers will be reimbursed $0.02 cents per unit for repackaging products into unit dose packaging. Providers are eligible for this fee for solid-dosage forms only for those products not packaged as unit dose by the manufacturer. Providers should indicate pharmacy repackaging by entering a **SPECIAL PACKAGING INDICATOR** (NCPDP Field # 429-DT) = "03" and the appropriate amount in the **INCENTIVE AMOUNT SUBMITTED** field (NCPDP Field # 438-E3). The cap is $25.00 per prescription.

6.1.3   Return to Stock (RTS)

- Providers must RTS any unused portion of unit dose packaged medications. In order to process the return accurately, providers should either:
    – Submit a re-bill (B3 transaction) with the actual quantity dispensed, **OR**
    – Reverse the original claim (B2 transaction) and submit a new claim (B1 transaction) with the actual quantity dispensed.
- Providers will be entitled to the full dispense fee on RTS claims.
- Providers will be entitled to the unit dose/repackaging fee only for the actual quantity dispensed on RTS claims.
- When a provider needs to return all of the medication(s) to stock, to retain the dispense fees, the provider should submit the claim with a value of ".001" as the quantity.

7.0   Remittance Advices

7.1   Electronic Remittance Advice (ERA)

To submit a request to receive an Electronic Remittance Advice (ERA) via WebRA, please visit https://eftera.magellanmedicaid.com.

For further inquiries related to remittance advices, please e-mail requests to RXNetworksDept@magellanhealth.com or contact Pharmacy Network Services at 1-800-441-6001.

8.0 Tamper-Resistant Prescription Pad Requirements

On October 1, 2008, the second phase of the Centers for Medicare & Medicaid Services (CMS) tamper-resistant prescription law took effect and requires that all handwritten and/or computer generated (by an EMR or ePrescribing application) printed prescriptions for fee-for-service (FFS) Medicaid patients be fully compliant with federal and/or state guidance for prescription tamper resistance.

8.1 CMS Requirements

Currently, a handwritten or computer-generated prescription must contain a feature with in all three of the following characteristic categories to be compliant:

- Copy Resistance: One (1) or more industry recognized features designed to prevent unauthorized copying of a completed or blank prescription form.
- Erasure/Modification Resistance: One (1) or more industry-recognized features designed to prevent the erasure or modification of information written on the prescription by the prescriber.
- Counterfeit Resistance: One (1) or more industry-recognized features designed to prevent the use of counterfeit prescription forms.

9.0   Appendix A – Universal Claim Form

9.1   UCF

The UCF will be required for all paper claims. UCFs can be obtained from CommuniForm at 1-800-869-6508.

9.1.1   How to Complete the UCF version D. Ø

1. Fill in all applicable areas on the form.

2. Verify patient information is correct and that the patient named is eligible for Medicaid benefits.

3. The medication being billed must match what is being/was dispensed.

4. Each area is numbered. Fill in each area using the following codes:

10.0   Appendix B – Payer Specifications

Please see the D.0 Billing Manual at
https://kyportal.magellanmedicaid.com/provider/public/documents.xhtml for the most
current D.0 Payer Specification document.