

**South Carolina**  
**Department of Health and Human Services**  
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[www.dhhs.state.sc.us](http://www.dhhs.state.sc.us)

December 15, 2005

**PHARM 05-12**

# **MEDICAID BULLETIN**

**TO: Providers Indicated**

**SUBJECT: Medicare Part D Prescription Drug Coverage**

Beginning January 1, 2006, the Centers for Medicare and Medicaid Services (CMS) will implement Medicare prescription drug coverage, known as Medicare Part D. Part D is a new program whereby CMS has contracted with Prescription Drug Plans (PDPs) to make available a drug coverage benefit for Medicare eligibles (*i.e.*, individuals who have Medicare Parts A or B). South Carolina Medicaid providers should note that due to this new benefit, Medicare beneficiaries who previously received their prescription coverage through 1) fee-for-service Medicaid, or 2) SILVERxCARD, or 3) South Carolina Medicaid's capitated Alternate Reimbursement Methodology (ARM) program *will no longer receive Medicaid's **complete outpatient drug coverage benefit\*** for dates of service after December 31, 2005.*

Although individuals eligible for both Medicare and Medicaid (*i.e.*, dual eligibles) will no longer receive the complete drug coverage benefit\* through Medicaid, dual eligibles will continue to be eligible for all *other* Medicaid services that are currently provided. Providers should note that SILVERxCARD beneficiaries are not **dual** eligibles since they are not Medicaid-eligible for **full** Medicaid services.

*{\*Although Medicaid's complete drug coverage benefit will no longer be provided, Medicaid will continue to cover certain specified PDP-excluded drug categories for dual eligibles only. Please refer to the section in this bulletin entitled "Medicaid and Certain PDP-Excluded Drug Categories."}*

### **Termination of SILVERxCARD and ARM Programs**

Since the new Part D benefit will provide prescription drugs for Medicare beneficiaries, those South Carolina Medicaid programs that historically provided a drug benefit for Medicare eligibles, specifically, SILVERxCARD and ARM, will terminate on December 31, 2005. Beginning with dates of service January 1, 2006, prescriptions submitted to

Medicaid for SILVERxCARD beneficiaries will deny. Regarding ARM, the December 2005 ARM payment was the last full month of capitated reimbursement for covered medications dispensed to Medicaid beneficiaries residing in ARM-served facilities. During the past several months, notifications were mailed to SILVERxCARD beneficiaries, ARM providers, and certain nursing facility administrators to make them aware of these program terminations.

**Resources for Medicare Part D Beneficiaries**

Providers are encouraged to assist in implementing Part D by informing beneficiaries that they may apply or obtain Medicare Part D and PDP information by:

- 1) Telephone: 1-800-MEDICARE (1-800-633-4227)
- 2) Web site: [www.medicare.gov](http://www.medicare.gov)
- 3) Online application: <http://www.socialsecurity.gov/prescriptionhelp/>

Additionally, providers are urged to provide Medicare eligibles with information regarding South Carolina state government personnel who can assist them with understanding Part D and the role of PDPs in this benefit. The Lieutenant Governor's Office on Aging and the Insurance Counseling Assistance and Referrals for Elders (I-CARE) program are useful resources for beneficiaries. Please refer to the following chart for contact information that providers may furnish to beneficiaries in need of Medicare Part D information.

| <b>S. C. Lieutenant Governor's Office On Aging<br/>Insurance Counseling Assistance and Referrals for Elders (I-CARE)</b> |                    |  |                  |                  |
|--|--------------------|--|------------------|------------------|
| <b>REGION</b>  | <b>REGION NAME</b> | <b>COUNTIES SERVED</b>   | <b>TELEPHONE</b> | <b>CONTACT</b>   |
| Region 1   | Appalachia         | Anderson<br>Cherokee<br>Greenville<br>Oconee<br>Pickens<br>Spartanburg | 864-242-9733     | Beverly Allen    |
| Region 2   | Upper Savannah     | Abbeville<br>Edgefield<br>Greenwood<br>Laurens<br>McCormick<br>Saluda  | 864-941-8061     | Kathy Dickerson  |
| Region 3   | Catawba            | Chester<br>Lancaster<br>Union<br>York                                  | 803-329-9670     | Krystle Stephens |
| Region 4   | Central Midlands   | Fairfield<br>Lexington<br>Newberry<br>Richland                         | 803-376-5390     | Carol Abrahamsen |

| S. C. Lieutenant Governor's Office On Aging<br>Insurance Counseling Assistance and Referrals for Elders (I-CARE) |                |  |              |                 |
|--|----------------|--|--------------|-----------------|
| REGION   | REGION NAME    | COUNTIES SERVED  | TELEPHONE    | CONTACT         |
| Region 5   | Lower Savannah | Aiken<br>Allendale<br>Bamberg<br>Barnwell<br>Calhoun<br>Orangeburg     | 803-649-7981 | Linda Holmes    |
| Region 6   | Santee Lynches | Clarendon<br>Kershaw<br>Lee<br>Sumter                                  | 803-775-7381 | Gena Kiber      |
| Region 7   | Vantage Point  | Chesterfield<br>Darlington<br>Dillon<br>Florence<br>Marion<br>Marlboro | 843-383-8632 | Sherry Johnson  |
| Region 8   | Waccamaw       | Georgetown<br>Horry<br>Williamsburg                                    | 843-546-4231 | Kimberly Harmon |
| Region 9   | Trident        | Berkeley<br>Charleston<br>Dorchester                                   | 843-554-2275 | Angela Edwards  |
| Region 10  | Lowcountry     | Beaufort<br>Colleton<br>Hampton<br>Jasper                              | 843-726-5536 | Nancy Guerry    |

**Auto-Enrollment of Dual Eligibles**

To participate in Part D, Medicare eligibles must be enrolled in a PDP that CMS has approved for South Carolina. To ensure that dual eligibles continue to have prescription drug coverage, CMS is automatically enrolling (auto-enrolling) dual eligibles into PDPs if self-enrollment has not already occurred. It may be helpful for dual eligibles to be aware that the PDP into which CMS has auto-enrolled a beneficiary may not be the plan that best accommodates the individual's needs (due to formulary restrictions, pharmacy provider network issues, etc.). CMS information for dual eligibles to use in selecting the most suitable plan for their specific needs may be found at the web site: [http://www.cms.hhs.gov/medicarereform/states/choosing\\_a\\_medicare\\_drug\\_plan.pdf](http://www.cms.hhs.gov/medicarereform/states/choosing_a_medicare_drug_plan.pdf). All dual eligibles who were auto-enrolled received a CMS letter informing the individual of the PDP into which he/she is now auto-enrolled. Information about this letter may be found at: [http://www.cms.hhs.gov/medicarereform/states/enrollment\\_letter.pdf](http://www.cms.hhs.gov/medicarereform/states/enrollment_letter.pdf).

**Non-Dual Eligibles and the Coverage Gap**

*Only dual eligibles* will be auto-enrolled into a PDP if they have not self-enrolled with a PDP; all other Medicare beneficiaries (e.g., SILVERxCARD beneficiaries) will be responsible for self-enrolling with a PDP. Individuals may obtain information regarding PDP enrollment at [www.medicare.gov](http://www.medicare.gov). It is important for SILVERxCARD beneficiaries to understand that they need to enroll in a PDP (*specifically, a PDP participating in GAPS; information regarding the GAPS program follows in the next section of this bulletin*) to access the GAPS benefit. Many SILVERxCARD beneficiaries will not be eligible for any Extra Help from CMS (i.e., the Low

Income Subsidy is only for individuals with the lowest incomes and resources) and will, therefore, experience a gap in coverage after a deductible has been met and prescription costs total \$2,250. This gap in coverage ends once the individual's drug costs total \$5,100. At that point, the PDP resumes coverage of the Medicare beneficiary's prescriptions.

**Gap Assistance Pharmacy Program for Seniors (GAPS)**

Effective January 1, 2006, the South Carolina Department of Health and Human Services (DHHS) will implement GAPS (Gap Assistance Pharmacy Program for Seniors) to assist SILVERxCARD beneficiaries with prescription drug expenses during the gap in coverage which some individuals may experience. Those South Carolina residents who are 65 years of age or older with an income below 200% of the federal poverty level (and do not qualify for CMS' Extra Help) are eligible to enroll in GAPS. Without the GAPS program, an individual could be responsible for as much as 100% of the drug costs during the gap in coverage; however, with the GAPS program, DHHS will cover 95% of an individual's PDP's prescription costs and the individual will only be responsible for the remaining 5%.

DHHS invited all of the South Carolina, CMS-approved PDPs to participate with GAPS. Following is a listing of the many plans that have currently agreed to participate with GAPS. *Providers are asked to assist DHHS in informing GAPS enrollees that a benefit from GAPS will be realized only if the individual enrolls with a GAPS-participating PDP.*

| <b>SOUTH CAROLINA<br/>PDPs PARTICIPATING IN GAPS</b> |                                |                         |
|--|--------------------------------|-------------------------|
| <b>Company Information</b>                           | <b>Plan Name</b>               | <b>Telephone Number</b> |
| BlueCross BlueShield of SC (S5953)                   | MedBlue Rx (001)               | 1-800-930-2836          |
| BlueCross BlueShield of SC (S5953)                   | MedBlue Rx Plus (002)          | 1-800-930-2836          |
| Community Care Rx [Member Health, Inc.] (S5803)      | Community Care Rx Basic (078)  | 1-866-684-5353          |
| Community Care Rx [Member Health, Inc.] (S5803)      | Community Care Rx Choice (146) | 1-866-684-5353          |
| Community Care Rx [Member Health, Inc.] (S5803)      | Community Care Rx Gold (112)   | 1-866-684-5353          |
| First Health Life and Insurance Company (S5768)      | First Health Premier (012)     | 1-800-588-3322          |
| InStil Health Insurance Company (S5946)              | InStil Rx (001)                | 1-877-446-7845          |
| InStil Health Insurance Company (S5946)              | InStil Rx Plus (003)           | 1-877-446-7845          |
| WellCare (S5967)                                     | WellCare Signature (043)       | 1-888-423-5252          |
| WellCare (S5967)                                     | WellCare Complete (077)        | 1-888-423-5252          |
| WellCare (S5967)                                     | WellCare Premier (112)         | 1-888-423-5252          |

All GAPS beneficiaries must enroll in one of the GAPS-participating plans to take advantage of the GAPS benefit. Once an individual reaches the gap in coverage, the pharmacy will continue to submit prescription claims to the individual's GAPS-participating PDP and DHHS will reimburse the PDP for 95% of the prescription costs; the individual will be responsible for the remaining 5%. As of January 1, 2006, all SILVERxCARD beneficiaries (who do not qualify for

CMS' Extra Help) will be eligible for GAPS. Individuals that become eligible for GAPS after January 1, 2006, will need to self-enroll into GAPS. Applications for GAPS may be obtained at [www.dhhs.state.sc.us](http://www.dhhs.state.sc.us) or by calling the toll-free telephone number: 888-549-0820.

### **South Carolina PDPs**

There are a total of eighteen different companies (including the GAPS-participating companies listed in this bulletin) that have an assortment of prescription plans available for South Carolina Medicare beneficiaries. Enrollment in a PDP is generally for the calendar year. After this initial year's implementation and *current* enrollment period of Part D (November 15, 2005 through May 15, 2006) ends, Medicare beneficiaries may only switch plans from November 15 through December 31 of each year; however, dual eligibles may change plans at any time by calling 1-800-MEDICARE and enrolling in their plan of choice.

The Part D benefit will begin on January 1, 2006, for all individuals who enrolled (or were auto-enrolled) into a PDP by December 31, 2005. Individuals who enrolled in a PDP after December 31, 2005, will begin Part D coverage on the first day of the following month after enrollment. It may be helpful for providers to be aware of all PDPs into which South Carolina Medicare eligibles may enroll. *[IMPORTANT NOTE: Medicare eligibles who are residents of South Carolina must enroll in a PDP that CMS approved for Part D beneficiaries in South Carolina.]* CMS-approved PDPs providing the Part D benefit in this state may be found by selecting "South Carolina" at: <http://www.medicare.gov/MPDPF/Public/Include/DataSection/Results/ListPlanByState.asp>.

### **Medicaid Point Of Sale (POS) Denial Responses**

Medicare beneficiaries will no longer receive Medicaid's complete outpatient drug coverage benefit, therefore, for dates of service January 1, 2006, and thereafter, if a pharmacy provider submits a pharmacy claim for a former SILVERxCARD beneficiary (the SILVERxCARD program terminates December 31, 2005), then the claim will deny with *NCPDP response code 70*, "drug not covered - no Rx benefit."

For dates of service January 1, 2006, and thereafter, Point of Sale (POS) pharmacy claims submitted to South Carolina Medicaid for a *dual eligible* will deny with *NCPDP response code 41*, "submit bill to other processor or primary payer" along with the appropriate carrier code that identifies the PDP into which the individual is enrolled. Pharmacy providers should refer to the PDP carrier code crosswalk table at <http://www.southcarolina.fhsc.com> to obtain the descriptive name of the PDP and specific plan. The PDP carrier code crosswalk table that is located on the web site will be updated when changes occur. Following is the *current* PDP carrier code crosswalk table.

| PDP Carrier Code Crosswalk Table<br>December 2005 |                 |                         |                 |                 |                          |
|---|-----------------|-------------------------|-----------------|-----------------|--------------------------|
| PDP PLAN NUMBER                                   | CROSS-OVER CODE | COMPANY NAME            | PDP PLAN NUMBER | CROSS-OVER CODE | COMPANY NAME             |
| H1804008  | 80001           | HUMANA INS CO           | S5597173        | 80041           | PRESCRIPTION PATHWAY     |
| H1804018  | 80002           | HUMANA INS CO           | S5601018        | 80042           | SILVERSCRIPT             |
| H4204002  | 80003           | INSTIL HEALTH INS CO    | S5601019        | 80043           | SILVERSCRIPT             |
| H4204003  | 80004           | INSTIL HEALTH INS CO    | S5617043        | 80044           | CIGNA HEALTHCARE         |
| H4204001  | 80005           | INSTIL HEALTH INS CO    | S5617045        | 80045           | CIGNA HEALTHCARE         |
| H4205001  | 80006           | BCBS OF SC              | S5617179        | 80046           | CIGNA HEALTHCARE         |
| H4205002  | 80007           | BCBS OF SC              | S5644054        | 80047           | RXAMERICA                |
| H4207001  | 80008           | BLUECHOICE HEALTHPLAN   | S5644075        | 80048           | RXAMERICA                |
| H4207002  | 80009           | BLUECHOICE HEALTHPLAN   | S5650001        | 80049           | PERFORMRX                |
| H4207003  | 80010           | BLUECHOICE HEALTHPLAN   | S5660008        | 80050           | YOURX PLAN               |
| H4208001  | 80011           | CAROLINA MEDICARE PRIME | S5670051        | 80051           | ADVANTRARX               |
| H4208002  | 80012           | CAROLINA MEDICARE PRIME | S5670052        | 80052           | ADVANTRARX               |
| H4209001  | 80013           | BCBS OF SC              | S5670054        | 80053           | ADVANTRARX               |
| H4209002  | 80014           | BCBS OF SC              | S5755012        | 80054           | UNITED AMER INS CO       |
| H4209003  | 80015           | BCBS OF SC              | S5768012        | 80055           | FIRST HEALTH SVCS        |
| H4209004  | 80016           | BCBS OF SC              | S5803078        | 80056           | COMMUNITY CARE RX        |
| H4209005  | 80017           | BCBS OF SC              | S5803112        | 80057           | COMMUNITY CARE RX        |
| H4209006  | 80018           | BCBS OF SC              | S5803146        | 80058           | COMMUNITY CARE RX        |
| H5006001  | 80019           | STERLING OPTION 1       | S5810043        | 80059           | AETNA LIFE INS CO        |
| H5421032  | 80020           | TODAYS OPTION           | S5810145        | 80060           | AETNA LIFE INS CO        |
| H5421034  | 80021           | TODAYS OPTION           | S5810179        | 80061           | AETNA LIFE INS CO        |
| H5435001  | 80022           | SECUREHORIZONS DIRECT   | S5820008        | 80062           | UNITED HEALTHCARE INS    |
| H5435002  | 80023           | SECUREHORIZONS DIRECT   | S5820112        | 80063           | UNITED HEALTHCARE INS    |
| H5435003  | 80024           | SECUREHORIZONS DIRECT   | S5884008        | 80064           | HUMANA INC               |
| H5435004  | 80025           | SECUREHORIZONS DIRECT   | S5884037        | 80065           | HUMANA INC               |
| H5435008  | 80026           | SECUREHORIZONS DIRECT   | S5884067        | 80066           | HUMANA INC               |
| H5435009  | 80027           | SECUREHORIZONS DIRECT   | S5921121        | 80067           | PACIFICARE LIFE & HEALTH |
| R5553001  | 80028           | INSTIL HEALTH INS CO    | S5921122        | 80068           | PACIFICARE LIFE & HEALTH |
| R5553002  | 80029           | INSTIL HEALTH INS CO    | S5921123        | 80069           | PACIFICARE LIFE & HEALTH |
| R5553003  | 80030           | INSTIL HEALTH INS CO    | S5946001        | 80070           | INSTIL HEALTH INS CO     |
| R5553004  | 80031           | INSTIL HEALTH INS CO    | S5946003        | 80071           | INSTIL HEALTH INS CO     |
| R5826004  | 80032           | HUMANA INS CO           | S5953001        | 80072           | BCBS OF SC               |
| R5826017  | 80033           | HUMANA INS CO           | S5953002        | 80073           | BCBS OF SC               |
| R5826031  | 80034           | HUMANA INS CO           | S5960009        | 80074           | UNICARE                  |
| S4802006  | 80035           | STERLING PRES DRUG PLAN | S5960045        | 80075           | UNICARE                  |
| S4802027  | 80036           | STERLING PRES DRUG PLAN | S5960079        | 80076           | UNICARE                  |
| S4802051  | 80037           | STERLING PRES DRUG PLAN | S5967043        | 80077           | WELLCARE                 |
| S4802123  | 80038           | STERLING PRES DRUG PLAN | S5967077        | 80078           | WELLCARE                 |
| S5597041  | 80039           | PRESCRIPTION PATHWAY    | S5967112        | 80079           | WELLCARE                 |
| S5597074  | 80040           | PRESCRIPTION PATHWAY    |                 |                 |                          |

### **Medicare Part B Drugs**

Providers should note that Part D is an additional Medicare benefit and does not replace Medicare Parts A, B, or C. Those programs will continue; therefore, pharmacy providers should continue to bill Part B drugs (e.g., immunosuppressants following a Medicare-sponsored organ transplant, oral chemotherapy agents, etc.) to Medicare Part B as the *primary* payer when those drugs are prescribed for dual eligibles. Then, any *secondary* billing for Medicare Part B drugs should be submitted to the Medicare beneficiary's PDP (*not Medicaid*).

### **Medicaid and PDP-Non-Covered Drugs**

Providers are aware that prescription plans have different formularies, preferred drug lists, and prior authorization (PA) programs; the PDPs will have these types of processes and programs in effect. It is important for beneficiaries to know that the PDP must notify the individual sixty days before removing one of his/her prescriptions from PDP coverage. Regarding PDP non-covered drugs, providers should be aware that *South Carolina Medicaid will not be a secondary payer for products such as a PDP's non-formulary drug or non-preferred drug or a PDP's PA-required drug.*

### **Medicaid and Certain PDP-Excluded Drug Categories**

There are several drug categories that PDPs are not required by CMS to cover. *If* the PDP has chosen to not cover such items, South Carolina Medicaid will provide coverage of those products **for dual eligibles only**, subject to Medicaid's existing rules and policies (*i.e.*, product must be rebated, product may require PA under Medicaid rules, etc.). These drug categories include: barbiturates, benzodiazepines, cough and cold products, vitamins/minerals, and over-the-counter (OTC) drugs (except for a pharmaceutical such as an OTC proton pump inhibitor or an OTC non-sedating antihistamine since those drugs belong specifically to PDP-covered therapeutic classes). Therefore, barbiturates, benzodiazepines, cough and cold products, vitamins/minerals, and OTC drugs may be billed to South Carolina Medicaid after the pharmacy provider receives a denial from the *dual eligible's* PDP.

### **Co-Payments**

Prior to January 1, 2006, beneficiaries in certain Medicaid waiver programs were exempt from co-payment requirements. Many of these beneficiaries are dual eligibles and, therefore, will no longer obtain drugs through the Medicaid program after December 31, 2005. Providers are asked to assist in explaining to these beneficiaries that prescription co-payments are required by Medicare Part D and are no longer waived since Medicaid is not the payer.

### **Long Term Care Facilities**

Providers should note that full benefit, dual eligibles residing in long term care facilities such as nursing homes will not be responsible for any cost-sharing (e.g., co-payments) under the Part D benefit. These individuals will retain their limited personal needs allowances for their personal expenses and will not have to spend the allowance on drug costs. Additionally, providing OTC drugs remains the responsibility of the long term care facility; therefore, OTC coverage for long term care residents is not the responsibility of the PDP or the Medicaid outpatient drug program.

Regarding nursing homes and the Part D benefit, PDPs are required to provide convenient access to long-term care pharmacies serving Part D enrollees residing in long-term care facilities. Nursing home staff members are encouraged to use the web-based Prescription Plan Finder tool at [www.Medicare.gov](http://www.Medicare.gov) for individual resident inquiries. Another option for nursing home administrators who need Part D enrollment information for multiple residents is to utilize a special CMS fax-based procedure. Information may be found at this web site: <http://www.ascp.com/medicarerx/docs/LTCFaxInstructions.pdf>. CMS has assigned a new, dedicated fax number for nursing homes to use for the fax-based procedure. The new fax number is 785-830-2593.

### **CMS' Contingency Plan for Dual Eligibles**

As mentioned previously, dual eligibles will be auto-enrolled into PDPs to ensure that prescription coverage (as previously provided by Medicaid) continues. While it is the objective that all of the dual eligibles are either auto- or self-enrolled into PDPs, a contingency plan has been devised by CMS to ensure prescription coverage for any individuals where data mismatches and information-sharing time lags possibly hindered the PDP enrollment process.

If a situation occurs where a dual eligible needs to have prescriptions filled at the pharmacy and this individual is unaware of the PDP into which he/she is enrolled, then the pharmacy provider should contact CMS' True Out-of-Pocket (TrOOP) facilitator contractor (NDC Health is the TrOOP facilitator) to determine the PDP and co-payment information. [Information about the TrOOP facilitator may be found at [http://medifacd.ndchealth.com/Home/MediFacD\\_Home.htm](http://medifacd.ndchealth.com/Home/MediFacD_Home.htm).]

If the dual eligible is not enrolled in a PDP, then the pharmacy provider should follow through with CMS' POS facilitated enrollment process **to ensure that the individual obtains his/her needed prescription medication(s) before leaving the pharmacy**. Pharmacy providers should note that this process is applicable to only **dual eligibles** (*i.e.*, not SILVERxCARD beneficiaries).

For the POS-facilitated enrollment, CMS has contracted with *Z-Tech Corporation* to serve as the enrollment contractor for non-enrolled dual eligibles. *Z-Tech* will expedite the validation of dual eligibility and return independently verified information on the individual's eligibility for enrollment to the national PDP, *Wellpoint*. CMS has contracted with *Wellpoint* to provide POS access and offer plans below the low-income premium subsidy amount for any dual eligibles who were not auto-enrolled into a PDP.

Pharmacy claim transactions for these verified dual eligibles will be cleared by retroactively enrolling the individual into *Wellpoint* and reprocessing the initial claim with the correct member record. Any claim transactions for individuals who are determined by *Z-Tech* to be ineligible (no Medicaid and/or Medicare status) will be reversed to the pharmacy for collection. The specific steps in this process are outlined in the following chart.

| <b>Centers for Medicare and Medicaid Services<br/>         POS- FACILITATED ENROLLMENT PROCESS FOR DUALS</b> |  |
|--|--|
| 1.   | Dual eligible presents at the pharmacy with either a Medicaid card or previous history of Medicaid billing in the pharmacy system patient profile.   |
| 2.   | Pharmacy provider bills Medicaid and the claim is denied.  |
| 3.   | Provider requests photo identification and checks for PDP enrollment by submitting an E1 query to the TrOOP facilitator. The provider also checks for Medicare A or B eligibility by: <ul style="list-style-type: none"> <li>a) Requesting to see a Medicare card, or</li> <li>b) Calling 1-800-MEDICARE, or</li> <li>c) Requesting to see the Medicare Summary Notice (MSN).</li> </ul> |
| 4.   | If the E1 query returns Part D plan enrollment information, the pharmacy provider bills the appropriate PDP. If the appropriate plan cannot be identified and dual eligibility has been verified, then the pharmacy provider should proceed with step #5.  |
| 5.   | The pharmacy provider enters the claim into the POS system, including available data specific to the beneficiary (name, ID#, date of birth, address, and phone number).  |
| 6.   | The pharmacy claim is submitted to Wellpoint and in response to the paid claim response, information is provided regarding the co-payment amount due.  |
| 7.   | The claim is processed by Wellpoint as paid (to network pharmacies) or as a captured response (for out-of-network pharmacies).   |
| 8.   | If the pharmacy is out-of-network, then special instructions are sent to the pharmacy to establish a mechanism for payment.  |
| 9.   | Wellpoint sends a daily file to Z-Tech that includes the beneficiary data submitted with the paid claims.  |
| 10.  | Z-Tech uses this information to validate dual eligibility via access to CMS and state systems and returns validation of eligibility or ineligibility to Wellpoint.   |
| 11.  | If the individual is verified to have dual eligibility and has not been enrolled in a PDP, then Wellpoint immediately submits an enrollment transaction on behalf of the dual eligible to enroll him/her into a Wellpoint plan retroactively. Normal rules for duals opting out of the plan will continue to apply.  |
| 12.  | If the beneficiary is a full dual eligible and already enrolled into a PDP, the claim will be reversed and the pharmacy will bill the appropriate PDP.   |
| 13.  | If the beneficiary is Medicaid-only, the claim will be reversed and the pharmacy will bill South Carolina Medicaid.  |
| 14.  | If the individual claiming dual status is found to be Medicare-eligible only, the Enrollment Contractor will notify the beneficiary by letter that he/she is ineligible for the facilitated enrollment service but may enroll in a PDP under normal enrollment rules, and the claim will be reversed to the pharmacy for collection.   |

**Additional Contingency Plan for Dual Eligibles**

The steps outlined in the preceding section of this bulletin are the pharmacy provider's first option for dual eligibles that have not been auto-enrolled. To further ensure that a dual eligible does not leave a pharmacy without obtaining needed prescriptions, DHHS has established a contingency plan that pharmacy providers may use if the previously outlined process does not resolve the issue for a dual eligible who has historically been provided Medicaid-reimbursed prescriptions, however the individual was not properly auto-enrolled in a PDP.

| <b>S. C. Department of Health and Human Services<br/>PHARMACY CLAIMS SUBMISSION FOR NON-AUTO-ENROLLED DUAL ELIGIBLES</b> |   |
|--|---|
| 1.   | Pharmacist telephones the First Health Call Center (866-254-1669) to request that a dual eligible be authorized to have the prescription(s) filled and billed to Medicaid.  |
| 2.   | The pharmacy provider certifies that attempts have been made to bill the prescription through the Medicare Part D benefit.  |
| 3.   | The pharmacy provider certifies that CMS' POS-facilitated enrollment process for dual eligibles has been followed; however, Medicare Part D has denied the prescription claim due to the individual's "invalid eligibility" or "individual not eligible." |
| 4.   | The <b>pharmacy provider must <u>read and document the actual denial response</u></b> received from CMS' POS-facilitated enrollment contractor(s) [ <i>i.e.</i> , Z-Tech, Wellpoint].   |
| 5.   | Subject to South Carolina Medicaid's current rules and policies, the claim will be considered for PA approval.  |
| 6.   | This claims submission process is not applicable to drugs that are non-covered by a dual eligible's PDP.  |

Questions regarding this bulletin should be directed to the Department of Pharmacy Services at (803) 898-2876.

/s/

Robert M. Kerr  
Director

RMK/bgam

**NOTE:** To receive Medicaid bulletins by email or to sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions:  
**<http://www.dhhs.state.sc.us/dhhsnew/QLBulletins.asp>**