



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THOMAS M. SUEHS
EXECUTIVE COMMISSIONER

July 2, 2010

**** Important Claims Processing Information **** **New Vendor Drug Program Claim Processing System August 23, 2010**

The Texas Health and Human Services Commission (HHSC) Vendor Drug Program (VDP) is moving to a new pharmacy claims processing system. In 2009, HHSC announced a tentative contract award of its Pharmacy Claim and Rebate Administration system to ACS State Healthcare, LLC (operating as the Texas Medicaid & Healthcare Partnership-Pharmacy, or TMHP-Pharmacy). This letter will provide you with additional information regarding the transition.

The current claims processing system will terminate at 9:00:00 p.m. CDT on Sunday, August 22, 2010. Providers may begin submitting claims through the new claims system at 5:00:01 a.m. CDT on Monday, August 23, 2010. All claims, regardless of date of service, should be submitted through the new processing system from that time forward.

The TMHP-Pharmacy technical help desk will be available at 877-350-2717, to assist pharmacies with test claim submission during this transition. The toll free line is available 24 hours a day and 7 days a week, with a 24-hour business day response time. Additionally, pharmacy providers may call the Vendor Drug Pharmacy Resolution Help Desk at 1-800-435-4165 for assistance with claim processing issues during regular business hours (8:30 a.m. - 5:15 p.m., Monday through Friday).

**** To assist with this transition ****

- The TMHP-Pharmacy will be responsible for the pharmacy claims processing system and managing the rebate administration for the Medicaid/CHIP Vendor Drug Program. The processing system changes do not affect Vendor Drug policy and program oversight, formulary management, the Texas Prior Authorization Call Center, and pharmacy customer services, including the Pharmacy Resolution Help Desk, regional offices, or contract management.
- Pharmacies will continue to use the National Council for Prescription Drug Programs (NCPDP) version 5.1 software format for all billing (B1), reversal (B2), and eligibility verification (E1) transactions for Medicaid, Children's Health Insurance Program (CHIP), Children with Special Health Care Needs (CSHCN) Services Program, and Kidney Health Care (KHC) program claims.

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- This mailing includes a provider Quick Reference Guide, information about submitting test claims through the new claims processing system, and an example of the Vendor Drug payment register. These materials will also be available on the Vendor Drug website (txvendordrug.com/pcra.html).
- An updated Pharmacy Provider Procedure Manual will be available in the weeks ahead on the Vendor Drug website (txvendordrug.com/pcra.html).

**** Changes in Acceptable Values ****

- Pharmacies and software companies should be aware of the following changes:
 - Bank Information Number (BIN) (Field 101-A1) will change to “610084”.
 - Processor Control Numbers (PCN) (Field 104-A4) will change as follows:
 - “DRTXPROD” for Medicaid, CHIP, and CSHCN claims.
 - “DRTXPRODKH” for KHC claims.
- Pharmacies will now enter a value of “1” (for “Substitution Not Allowed by Prescriber”) in “Dispense as Written” (DAW) (Field 408-D8) to override Maximum Allowable Cost (MAC) pricing on drugs. Vendor Drug will no longer accept “6” as a valid DAW value.

**** Other Key Changes ****

- Vendor Drug will accept either the prescriber’s State License number or National Provider Identifier (NPI). Pharmacies can submit the 10-digit Prescriber NPI in “Prescriber ID” (Field 411-DB) and “01” in “Provider ID Qualifier” (Field 466-EZ). This optional period will last for at least three months, and providers will be notified of the date on which the Prescriber NPI becomes mandatory.
- Claims that currently reject for “Refill Too Soon” will now deny with NCPDP error code 79. Claims that currently reject for “Excessive Quantity” will now deny with NCPDP error code E7.
- CSHCN will coordinate drug benefits as a secondary payer.
- KHC will assess a \$6.00 co-pay on claims submitted with “4” in “Other Coverage Code” (Field 308-C8) during the gap and the deductible period for Medicare eligible clients.
- Support for e-prescribing transactions will be a new feature implemented on a date after August 23, 2010. Pharmacies are encouraged to begin using “Prescription Origin Code” (Field 419-DJ) on all claim submissions.

There will be no change to Vendor Drug’s Friday-to-Thursday payment cycle. Payments to pharmacy providers will continue to be processed by the Texas Comptroller’s Office at the same reimbursement rates currently paid. After August 23, 2010, weekly payment registers will no longer be available in a paper format and instead will be provided in either Portable Document Format (PDF) or as the standard ASC X12N 835 Health Care Payment/Advice. To retrieve payment files, pharmacies or their authorized representatives will be provided a unique username and password by TMHP-Pharmacy. Further instructions on how to request a username and password and the link to the web-based secure server will be provided at txvendordrug.com/pcra.html.

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To learn more about the claim processing changes, there will be live, interactive educational training sessions available online for pharmacists via the internet. These training sessions will take approximately one hour to complete and will be held as follows:

- Wednesday, July 21 at 8:00 am CDT.
- Thursday, July 29 at 12:00 noon CDT.
- Friday, August 6 at 9:30 pm CDT

Please visit our website at www.txvendordrug.com/pcra.html to find session enrollment instructions. The website will have training materials available for download 24 hours a day, including a link to a recorded webinar presentation available beginning Wednesday, July 21, 2010.

If you have any questions or need additional information, pharmacies can call the Vendor Drug Pharmacy Resolution Help Desk at 1-800-435-4165 or email contact@hhsc.state.tx.us.

Thank you for your cooperation with this effort. Your assistance and understanding ensures the continued success of the Texas Medicaid Vendor Drug Program. We look forward to continuing our work with you to serve clients of the Medicaid, CHIP, KHC, and CSHCN programs.