



State of Vermont
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Reminder: Vermont Medicaid Billing with Primary Commercial Insurance

The Department of Vermont Health Access (DVHA), in conjunction with the Coordination of Benefits (COB) Unit, and the Pharmacy Benefit Administrator (PBA), Change Healthcare, has been reviewing claims in recent months and found some claims were not appropriately billed to the primary commercial insurance before billing Vermont Medicaid.

As a reminder, **pharmacies are required to bill and follow the primary insurance coverage rule before billing Vermont Medicaid** as the secondary payer. There has been an increase in claims submitted for payment when using Other Coverage Code (OCC) 3, and NCPDP Version D.0 Other coverage rejection code: **70 = Product Service Not Covered**

The results from billing these claims at the point of sale kicked back a primary rejection 70 when the prescription could be covered by the primary. Reminder, the primary insurance drug coverage may vary from the Vermont Medicaid PDL and the drug should be submitted by the primary coverage. The Medicaid program does pay for drugs classified as over-the-counter (OTC) when insurance companies deny them with the rejection code 70.

What is an OTC Drug?

Over-the-counter (OTC) or nonprescription drugs are medications that can be sold directly to a consumer without a prescription from a health care professional. Some drugs may be legally classified as over-the-counter (OTC) (i.e., no prescription is required), but may only be dispensed by a pharmacist after an assessment of the patient's needs or the provision of patient education.

What should pharmacies do?

Before billing Vermont Medicaid, review any drugs being dispensed and billed to the primary insurance carrier when receiving a primary rejection of "70" to determine if the drug may require prior authorization or if an alternative drug is required for a primary payment. Please contact the primary carrier and verify plan limitations.

Reminder for billing OCC 3 Claims

Claims that are identified without a primary insurance payment submitted with OCC 3 are reviewed. If it is found that the primary may cover the drug (s) with an alternative, or Prior Authorization, the claim may be **subject to recoupment** during a State of Vermont (SOV) review.

Please contact the Change Healthcare Pharmacy Help Desk at 1-844-679-5362 or send inquiries via email to PBA_VTHelpdesk@changehealthcare.com.

Thank you for your ongoing support of DVHA's pharmacy benefits program.