

State of Vermont

Department of Vermont Health Access (DVHA)

NOB 1 South, 280 State Drive

Waterbury, VT 05671-1010

September 18, 2023

Reminder: Vermont Medicaid Billing with Primary Commercial Insurance

The Department of Vermont Health Access (DVHA), in conjunction with the Coordination of Benefits Unit and the PBM, Change Healthcare, has reviewed many claims in recent months that were not appropriately billed to the primary commercial insurance prior to billing Vermont Medicaid. As a reminder, pharmacies are **required** to bill a member's primary commercial insurance before billing Vermont Medicaid as the secondary payer.

There has been an increase in claims submitted for payment utilizing **Other Coverage Code 3** utilizing the following NCPDP Version D.0 Other coverage Rejection codes:

- **70** = Product Service Not Covered
- **88** = DUR Reject Error – Duplicate Therapy

In a review of these claims, the claim was submitted to the primary insurance with the Vermont Medicaid preferred product, not the preferred product of the primary insurance. The result is the primary insurance kicked back a rejection of **70 = Product service not covered** because this was not the formulary product for that primary insurance. The claim was then billed to Medicaid and required full payment. If the claim billed appropriately, the primary insurance would have made payment and Medicaid would have only been responsible for a small cost share.

Examples include the following for a rejection of, 70 = Product service not covered:

Concerta, Lantus, Ventolin HFA, Suboxone and Vyvanse. These are just some of the Medicaid preferred products billed to the primary insurance that require either a generic product or other preferred product for the primary insurance.

Please verify the proper preferred product with the Primary Insurance prior to billing Vermont Medicaid.

Claims that are identified as billed inappropriately are subject to recoupment if the use of the OCC 3 is used improperly.

If it is determined that the primary insurance is no longer in effect, the claims can be processed as primary at the point of sale.

For questions, 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.