



**STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
310 GREAT CIRCLE ROAD
NASHVILLE, TENNESSEE**

This notice is to remind you of your obligations regarding Coordination of Benefits through the Point-of-Sale (POS) system used for processing pharmacy claims for the *TennCare Program*. While TennCare has not yet instructed First Health to deny claims at POS based on other payer information, your obligations to bill all other identified payers prior to TennCare remain.

Important Information regarding your Coordination of Benefits Obligations

It is important that Providers are reminded that **TennCare is always the payer of last resort**. Each TennCare recipient should be questioned whether he/she is covered by any pharmacy insurance provider other than TennCare. Should the recipient identify another pharmacy payer, you are required to bill all other payers prior to billing pharmacy claims to TennCare.

Below is an excerpt from the First Health Services Pharmacy Provider Manual. The entire manual may be viewed on the First Health/TennCare website, at the following web address;
www.firsthealth.com

3.8 Coordination of Benefits

- As a matter of program policy providers must bill all other payers first and then bill TennCare.
TennCare is always the payer of last resort.
- If the recipient shows other coverage on the DOS and other payment is received, providers must submit the following fields in the COB segment;
 - OTHER COVERAGE CODE (NCPDP #308-C8) = “2” (other coverage exists/payment collected);
 - OTHER PAYER AMOUNT PAID field (NCPDP #431-DV) = amount received from all other payers;
 - OTHER PAYER ID field (NCPDP #340-7C) = “88888”
 - OTHER PAYER DATE (NCPDP #443-E8) = date payment received from other payer.
- In all cases, First Health Services will use the TennCare “**Allowed Amount**” when calculating payment.

Note: In some cases, this may result in a “0” payment.

Important Reminder: TennCare members are responsible only for Co-Payments, Co-Insurance, Deductibles, and Ancillary Charges based on upon the TennCare adjudicated claim. Claims processed by the primary payer must subsequently be billed to TennCare as described above. Providers should only be collecting Co-Payments, Co-Insurance, Deductibles, and/or Ancillary Charges as directed by TennCare. Providers **SHOULD NOT** collect any payment from TennCare recipients based upon the adjudication of the claim through the primary payer. TennCare recipients are only responsible for Co-Payments, Co-Insurance, Deductibles, and/or Ancillary Charges as directed by TennCare, through the POS response.

Example transaction;

- A member presents a prescription to a provider, along with her TennCare Pharmacy ID Card.
- The provider asks the member if they may have any additional Pharmacy Coverage.
- The member presents a Pharmacy ID Card from XYZ insurance company.
- The provider bills the prescription to the XYZ insurance company.
- XYZ insurance company adjudicates the claim, returns a payment of \$50.00, and returns a co-payment amount of \$10.00.
- The Provider **does not** collect the \$10.00 co-payment from the recipient.
- The provider bills the prescription to TennCare, using the COB segment, indicating that they have received \$50.00 from the Primary insurer. (see above for more detailed submission requirements)
- TennCare/First Health adjudicates the claim, returns an additional payment amount to the provider (based upon the TennCare allowed amount), and indicates the patient is responsible for a \$3.00 co-payment.
- The Provider then requests only the \$3.00 co-payment from the member. (See below for information regarding the collection of Co-Payments, Co-Insurance, Deductibles, and Ancillary Charges.)

For additional information regarding Coordination of Benefits billing, please refer to the updated payer specifications, on our website at:

www.firsthealth.com

Below is an excerpt from the **The State of Tennessee, TennCare Bureau, PHARMACY PARTICIPATION AGREEMENT For Ambulatory and Long Term Care Pharmacy Providers**

Section 2.4: Collection of Co-Payments, Co-Insurance, Deductibles, and Ancillary Charges.

Pharmacy shall collect any Co-payments, Co-Insurance Charges, Deductibles, Ancillary Charges, or other charges for Pharmaceutical Services provided by Pharmacy to TennCare members, as may be specified or required in the TennCare Pharmacy Manual and as required by TennCare. However, Pharmacy may not refuse to provide pharmacy services to TennCare members solely because the member is unable to pay a pharmacy co-payment, as required by federal law.

If you have general processing questions, please contact the First Health Technical Call Center at 866-434-5520. For additional information or updated payer specifications, please visit our website at:

www.firsthealth.com .