NEW YORK STATE OF OPPORTUNITY. Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

Update on Medicaid Fee for Service (FFS) Pharmacy Billing Instructions for Coordination of Benefits (COB) Submission

Coordinating benefits ensures the correct party pays first. Medicaid is the payer of last resort. This means when a patient has other insurance or Medicare, federal regulations require that all available resources be used before Medicaid considers payment. If there is a responsible third party who should be paying for the patients' health benefits, for example a health insurance provider, that responsible third party should be paying first.

Medicaid pays the lesser of Patient Responsibility (PR) or the Medicaid fee regardless of the Patient Responsibility Amount. For pharmacy this rule applies to all PR, which includes deductible, co-insurance, copay and other patient responsibility.

The following list of values reported in field 308-C8 (Other Coverage Code) are considered acceptable. This field is used by the pharmacy to indicate whether or not the patient has other insurance coverage or is enrolled in a Medicare Managed Care Organization (MCO). Valid entries for field 308-C8 are:

0	Not Specified by patient	"0" is the default value.
1	No Other Coverage	Code used in coordination of benefits transactions to convey that no coverage is available. This value must **only** be submitted **AFTER** the provider has exhausted all means of determining pharmacy benefit coverage and no other coverage was identified. Coordination of Benefits/Other Payments Segment must not be sent. **This value must not be used as a default.**
2	Other Coverage Exists, Payment Collected	Code used in coordination of benefits transactions to convey that other coverage is available, the payer has been billed and payment received. Used when Total Amount Paid (509-F9) from a prior payer is greater than zero. Coordination of Benefits/Other Payments Segments is required.
3	Other Coverage Exists, This Claim Not Covered	Code used in coordination of benefits transactions to convey that coverage is available, the payer has been billed and payment denied because the service is not covered.
4	Other Coverage Exists, Payment Not Collected	If the Total Amount Paid (509-F9) <=0. **Code used in coordination of benefits transactions to convey that other coverage is available, the payer has been billed and payment has not been received.**

The following failed edit will be implemented on the specified value submitted in field 308-C8 effective June 18, 2015:

- **Submission of Other Coverage Code "8"- (Billing for Co-pay). This value will no longer be allowed, as full disclosure is required.**

- **Edit 02227 (Claims Other Insurance Payment Collection Code is Equal to "8") will be failed when the value of "8" is sent in field 308-C8. The NCPDP Reject code "13" (M/I Other Coverage Code) will be returned on the rejected response**

Previous article on this subject was released in the May 2014 Medicaid Update:

http://www.health.ny.gov/health_care/medicaid/program/update/2014/may14_mu.pdf

Contact the eMedNY Call Center at (800) 343-9000 for questions regarding COB billing or any billing issue.