



Importance of Medical Coding on Practitioner Drug Claims

Please note this is an update to previous guidance issued September 11, 2023.

Corrections are **highlighted** below.

NYRx, the Medicaid Pharmacy Program, utilizes a sophisticated clinical editing system that leverages Pharmacy & Medical claim data (from both Medicaid fee-for-service & Medicaid Managed Care) to auto approve claims that meet prior authorization (PA) criteria [as described in the Preferred Drug List \(PDL\)](#).

This means if the correct diagnosis, drug, or procedure code is present in the members claim history, an approved PA can be generated without prescriber involvement. This decreases the need for the prescriber to obtain a PA.

Providers can further improve this process and decrease the need to obtain PA by ensuring the following:

Prescribers can-

- ✓ Submit Medical claims timely to Medicaid FFS & the Medicaid Managed Care Plans
- ✓ Ensure the accuracy of the claim information being transmitted
- ✓ Code claims with all appropriate diagnosis (ICD) and procedure codes that are most closely associated with the services provided
 - up to 12 codes on professional claims
 - up to 25 codes on institutional claims
 - up to 5 codes on prescriptions claims

Pharmacies can-

- ✓ Submit ICD codes to NYRx, if present on a prescription
 - up to 5 codes can be submitted per the pharmacy transaction
 - **claims with ICD codes should be formatted WITHOUT the decimal**
 - ICD codes will be collected via the transaction & used for future claim approvals (the codes cannot be leveraged on the same day of service)

Policy questions can be directed to NYRx@health.ny.gov.

Claims processing questions can be directed to General Dynamics at: 1-800-343-9000.