TO: Local District Commissioners, Medicaid Directors

FROM: Judith Arnold, Director
                   Division of Eligibility and Marketplace Integration

SUBJECT: Changes to the Loading of Drug Coverage in the Third Party Health Insurance Scope of Benefits on eMedNY

EFFECTIVE DATE: Immediately

CONTACT PERSON: Local District Support Unit
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The purpose of this General Information System (GIS) message is to advise local departments of social services of a change in procedure when loading drug coverage to the third party scope of benefits in the eMedNY Third Party Subsystem.

In order to correctly cost-avoid prescription claims and reduce Medicaid expenditures, districts are instructed **not** to use drug code 10 (DRUG-RECOVERY ONLY) when loading third party policies into eMedNY. When this code is used, Medicaid will pay the claim rather than cost-avoid the claim. To avoid having the third party contractor recover payments from health insurance plans that were paid by Medicaid in error, districts must not use this code for prescription coverage. Instead, districts are to use one of the following two drug codes: code 11 (DRUG – MAJOR MEDICAL) or code 12 (Drug CO-PAY).

Districts are required to identify the correct drug code to be used when loading the third party policy into eMedNY. In order to assist district staff with evaluating what drug code to use, a description of each code is listed below.

11 (Drug-Major Medical) - This code should only be used when the drug coverage is through the major medical health plan and a separate prescription drug card is not available. When prescriptions are covered by the major medical plan, the coverage should be put up as code 11 under the major medical policy.

12 (Drug-Copay) - This code should only be used when it is certain that there is a separate prescription drug plan besides the major medical plan and a separate prescription drug card is available for either retail or mail order prescriptions. In this instance, a separate pharmacy policy needs to be loaded in eMedNY with drug code 12 only, along with the major medical policy.

A future project will remove drug code 10 from the screen to prevent users from selecting it.

Please direct any questions concerning this message to the Local District Support Unit.