

Dear Pharmacy Provider:

This is to inform you that the United States Court of Appeals for the Second Circuit removed the restraining order which had prevented the Department from imposing co-payments on Medicaid recipients. Therefore, the Department is proceeding with implementation of co-payment requirements.

Medicaid co-payments will begin on **November 1, 1993**. Prescription drugs, nonprescription drugs, and sickroom supplies dispensed on or after **November 1, 1993** will be subject to the co-payment requirements described in this letter. **Note: Changes have been made to the co-payment program since our last notice.** Among the changes is a revised list of exempt psychotropic drugs and a new list of exempt drugs used to treat tuberculosis. Also, from November 1, 1993 until March 31, 1994, there is a \$41 maximum per recipient for all co-payments incurred. Then, for each 12 months beginning April 1, 1994, there will be a \$100 maximum per recipient for all co-payments incurred.

PROVIDERS' OBLIGATION TO PROVIDE SERVICES (RECIPIENT'S INABILITY TO PAY):

The legislation includes the provision that the provider may not deny services to an eligible recipient based on the recipient's statement that he/she is unable to pay the co-payment amount. You cannot refuse to provide services to otherwise eligible recipients who indicate they cannot pay or are unable to pay the co-payment. Under circumstances in which a recipient is unable to pay the co-payment, the provider will be required to accept the reduced Medicaid payment as full payment. If you refuse to provide services, it is an unacceptable practice.

PROVIDERS MUST NOT REDUCE THEIR MMIS CLAIMS BY THE CO-PAYMENT COLLECTED:

Providers must NOT reduce the amount charged on their Medicaid claim forms by the co-payment amount which is collected from Medicaid recipients. Each claim billed to the Medicaid Management Information System (MMIS) which requires co-payment will have a co-payment deducted from the final payment amount calculated as due from Medicaid.

+-----+
| CO-PAYMENT SPECIFICATIONS |
+-----+

PRESCRIPTION DRUGS

CATEGORY	CO-PAYMENT
Brand Name Drugs ¹	\$2.00 each new and refill Rx
Generic Drugs	\$.50 each new and refill Rx
Psychotropic Drugs ²	Exempt
Tuberculosis Drugs ²	Exempt
Compounded Drugs ³	Exempt
Family Planning Drugs ⁴	Exempt
Emergency Services ⁵	Exempt

NONPRESCRIPTION DRUGS

CATEGORY	CO-PAYMENT
Drugs Listed In Section 4.1 Of The MMIS Pharmacy Provider Manual	\$.50 each new and refill order
Family Planning	Exempt
Emergency Services ⁵	Exempt

ENTERAL AND PARENTERAL FORMULAE/SUPPLIES

CATEGORY	CO-PAYMENT
Items Listed In Section 4.2 Of The MMIS Pharmacy Provider Manual	\$1.00 each new and refill Rx and order
Emergency Services ⁵	Exempt

SICKROOM SUPPLIES

CATEGORY	CO-PAYMENT
Items Listed In Sections 4.3 & 4.4 Of The MMIS Pharmacy Manual	\$1.00 each new and refill order
Family Planning Products	Exempt
Emergency Services ⁵	Exempt

Notes:

1. Any single source or innovator multiple source drug as determined by the Department. For purposes of co-payments, a single source drug or innovator multiple source drug will be considered a brand name drug and be subject to a \$2.00 co-payment even if it is dispensed for a generic (non-DAW) prescription.
2. Consult attached list.
3. As defined in Sections 2.2.2 and 4.5 of the MMIS Pharmacy Manual
4. Oral contraceptive drugs and Clomid.
5. Emergency services are services which are provided after the sudden onset of a medical condition which manifests itself by acute symptoms of sufficient severity that the absence of medical attention could reasonably be expected to result in placing the patient's health in serious jeopardy, serious impairment to bodily functions or serious dysfunction of any bodily organ or part. Enter code "L" in the SA Excp Code field on the claim to identify an emergency when submitting a claim to MMIS for payment.

RECIPIENTS WHO ARE EXEMPT FROM CO-PAYMENT1. Recipients Under Age 21:

These recipients can be identified by the date of birth printed on the plastic Common Benefit Identification Card. The date of birth will be compared with the date of service on the claim. It should be noted that refills dispensed after a recipient turns 21 will require a co-payment. Providers do not need to enter a special code on Medicaid claims to identify these recipients.

2. Pregnant Recipients:

Pregnant women are exempt from co-payments during the duration of their pregnancy, and for the two full months following the month in which the pregnancy ends. Prenatal care providers should provide the pregnant recipient with a note verifying her condition and should instruct her to show it to other providers such as pharmacies or laboratories when obtaining supplies or services. Other providers treating the woman may use the note as verification of her condition. In lieu of a note, a provider may verify the pregnancy with visual evidence, by phone contact with the prenatal provider, by type of drug or supply ordered (such as prenatal vitamins), or by determining that the source of the prescription/order is a Prenatal Care Assistance Program, or an obstetrician. Use the code "Z9" in the Recipient Other Insurance Code field on the claim to identify a pregnant recipient when submitting a claim to MMIS.

3. Recipients Enrolled In Managed Care Programs And Comprehensive Medicaid Case Management Programs (CMCM):

A. Managed Care Programs - Recipients enrolled in managed care programs are exempt from co-payments. These recipients can be identified by the coverage code message received from the Electronic Medicaid Eligibility Verification System (EMEVS) when verifying eligibility. Recipients in managed care programs are identified by one of the following messages:

Terminal Response	Telephone Response	Alternate Access Code
"ELGIBLE PCP"	"ELIGIBLE PCP"	"06"
"ELIG CAPITATION GUARANTEE"	"ELIGIBLE CAPITATION GUARANTEE"	"05"
"ELIGIBLE PCP HR"	"PREPAID CAPITATION PLAN HOME RELIEF"	"114"
"GUARANTEE HR"	"GUARANTEE HOME RELIEF"	"115"

Providers do not need to enter a special code on the claim to identify recipients who are in managed care programs.

B. Comprehensive Medicaid Case Management Programs - Recipients enrolled in a Comprehensive Medicaid Case Management Program are exempt from co-payments. These recipients are identified on EMEVS by the following responses:

Terminal Response	Telephone Response	Alternate Access Code	Meaning
"EXCP CD 35"	"EXCEPTION CODE 35"	"35"	Designates an individual who receives CMCM
"EXCP CD 50"	"EXCEPTION CODE 50"	"50"	Designates an individual who is eligible to receive CONNECT-Only/Perinatal Family Services
"EXCP CD 51"	"EXCEPTION CODE 51"	"51"	Designates an individual who receives CMCM under the CONNECT Program

Providers do not need to enter a special code on the claim to identify recipients who are in these programs.

4. ICF/DD and Nursing Facility Residents:

Recipients in Intermediate Care Facilities for the Developmentally Disabled (ICF/DD's) or Nursing Facilities are exempt from co-payments. Providers may verify that a recipient is a resident of a nursing facility by checking with the facility. Individuals in ICF/DD's are identified on EMEVS by the following response:

Terminal Response	Telephone Response	Alternate Access Code	Meaning
EXCP CD 38"	"EXCEPTION CODE 38"	"38"	Designates an individual who is a resident of an ICF/DD

Providers do not need to enter a special code on the claim to identify recipients who are in ICF/DD's or Nursing Facilities.

NOTE: Residents of Adult Homes are not exempt from co-payments.

5. Residents of OMH and OMRDD Certified Community Residences and Recipients Enrolled in an OMRDD Home and Community Based Services (HCBS) Waiver Program:

Recipients who are residents in Community Residences certified by the Office Of Mental Health or the Office of Mental Retardation and Developmental Disabilities or are enrolled in an OMRDD certified Home and Community Based Services (HCBS) Waiver Program are exempt from co-payments. Each month the Community Residence or the HCBS Program will give recipients

a letter to show providers which certifies that they live in a community residence and are exempt from co-payment. This letter will serve as verification that a recipient is exempt from co-payment. Use the code "Z8" in the Recipient Other Insurance Code field on the claim to identify residents of Community Residences and recipients participating in the HCBS Program.

6. Co-Payment Maximum:

From November 1, 1993 until March 31, 1994, there is a \$41 maximum per recipient for all co-payments incurred. Then, for each 12 months beginning April 1, 1994, there will be a \$100 maximum per recipient for all co-payments incurred.

Providers must access EMEVS and enter co-payment information on the date of service for all recipients, regardless of whether recipients pay or do not pay the co-payment. Doing this will help ensure that EMEVS will accurately indicate when co-payments are no longer due from recipients and will not be deducted from claims. Further instructions on how providers may access EMEVS to enter and obtain co-payment information will follow in a future issue of The Medicaid Update.

Sincerely,

Michael A. Falzano
Assistant Commissioner
Bureau of Ambulatory Policy and
Utilization Review
Division of Health and Long Term
Care

Attachments

PSYCHOTROPIC DRUGS EXEMPT FROM
CO-PAYMENT REQUIREMENTS EFFECTIVE NOVEMBER 1, 1993

These drugs or combinations of these drugs are exempt from co-payment. Consult the pharmacy microfiche for the New York State List of Reimbursable Drugs.

acetazolamide	lorazepam
acetophenazine	loxapine
alprazolam	maprotiline
amantadine	mephenytoin
amitriptyline	mephobarbital
amoxapine	meprobamate
benztropine	methsuximide
biperiden	mesoridazine
bupropion	molindone
buspirone	nortriptyline
butabarbital	oxazepam
carbamazepine	paraldehyde
chloral hydrate	paramethadione
chlordiazepoxide	pentobarbital
chlormezanone	perphenazine
chlorpromazine	phenacemide
chlorprothixene	phenelzine
clomipramine	phenobarbital
clonazepam	phensuximide
clorazepate dipotassium	phenytoin
clozapine	pimozide
desipramine	prazepam
diazepam	primidone
diphenhydramine	prochlorperazine
doxepin	procyclidine
estazolam	promazine
ethopropazine HCl	protriptyline
ethosuximide	quazepam
ethotoin	secobarbital
fluoxetine	sertraline
fluphenazine	temazepam
flurazepam	thioridazine
halazepam	thiothixene
haloperidol	tranlycypromine
hydroxyzine HCl	trazodone
hydroxyzine pamoate	triazolam
imipramine	trifluoperazine
isocarboxazid	triflupromazine
lithium	trihexyphenidyl HCl
	trimethadione
	trimipramine
	valproic acid and derivatives

DRUGS FDA INDICATED FOR THE TREATMENT OF TUBERCULOSIS WHICH ARE EXEMPT
FROM CO-PAYMENT REQUIREMENTS EFFECTIVE NOVEMBER 1, 1993

These drugs or combinations of these drugs are exempt from co-payment.
Consult the pharmacy microfiche for the New York State List of Reimbursable
Drugs.

Aminosalicylate Sodium (Para-Aminosalicylate Sodium)

Capreomycin Sulfate

Cycloserine

Ethambutol

Ethionamide

Isoniazid

Pyrazinamide

Rifampin

Streptomycin