




State of Louisiana
Department of Health and Hospitals
Bureau of Health Services Financing

MEMORANDUM

DATE: November 24, 2015
TO: "Local" Medicaid Pharmacy Providers
FROM: 
J. Ruth Kennedy, Medicaid Director
SUBJECT: Managed Care Organization Claims Dispute Process for "Local" Pharmacies

Effective December 1, 2015, the Department of Health and Hospitals will implement a Managed Care Organization (MCO) claims dispute process for "local" pharmacies in accordance with Act 399 of the 2015 Regular Legislative Session.

The process will provide for two tiers of claims dispute. The first is internal to the MCO. The second is external to the MCO and administered by DHH's contractor, Myers & Stauffer. The enclosed document details both tiers of the process.

If you have questions about the *internal* claims dispute process, please contact the MCO or its Pharmacy Benefit Manager. If you have questions about the *external* claims dispute process, please contact Myers & Stauffer at (800) 591-1183 or lamcopharmacy@mslc.com.

Your continued cooperation and support of the Louisiana Medicaid Program efforts to coordinate care and improve health are greatly appreciated.

JRK/MBW/ESF

c: Bayou Health Plans
Frank Opelka, Jr.
Jen Steele
LAHP
LIPA
Melwyn B. Wendt
Molina

Claims Dispute Process for Local Pharmacies

Definition of Local Pharmacy

“Local” pharmacy is defined in Act 399 as any pharmacy domiciled in at least one Louisiana parish that meets both of the following criteria:

1. Contracts directly with a Managed Care Organization (MCO) or the MCO's contractor in its own name or through a pharmacy services administration organization (PSAO) and not under the authority of a group purchasing organization.
2. Has fewer than ten retail outlets under its corporate umbrella.

The two-tiered process for local pharmacies to submit claim disputes is as follows:

Step 1: Internal to the MCO:

Effective December 1, 2015, MCOs must administer an *internal claims dispute process* to allow local pharmacies to dispute reimbursement paid for any claim made for the dispensing of a drug. This process applies only to claims with a date of service on or after December 1, 2015.

Local pharmacies must submit internal claims disputes to the MCO within 7 business days of the date of service, either directly to the MCO or through a PSAO at the pharmacy's option.

The MCO must provide written notification of the outcome of internal claims disputes to the local pharmacy within 7 business days of the date that the internal claims dispute was received by the MCO.

Step 2: External to the MCO:

On behalf of the Department of Health and Hospitals (DHH), Myers and Stauffer will administer an *external claims dispute process* to serve as the final authority on local pharmacy claims disputes.

Within 14 business days of the date of the written notification of the outcome of the internal claims dispute from the MCO to the local pharmacy, the pharmacy must submit to M&S:

1. A completed External Claims Dispute Request form;
2. A copy of the internal claims dispute submitted to the MCO;
3. A copy of the written notification of the outcome of the internal claims dispute from the MCO to the local pharmacy;
4. A screen shot and/or print out of the adjudicated claim including the prescription number, NDC, date of service, quantity dispensed, total amount submitted and total amount reimbursed.

For purposes of this external claims dispute process, DHH defines reasonable reimbursement and may redefine it with 60 days written notice to the MCO. Currently, reasonable reimbursement is defined as 97% or within \$10.00 of the calculated estimated FFS allowed amount.

To determine whether a disputed claim was reasonably reimbursed, M&S will calculate the estimated Fee for Service (FFS) allowed amount using current AAC or WAC rates and the current FFS reimbursement methodology and compare the amount paid by the MCO to the calculated reasonable reimbursement.

M&S must provide written notification of its determination to the pharmacy and the MCO within 7 business days of receipt.

Claims Dispute Process for Local Pharmacies

If it is determined that the disputed reimbursement was not reasonable, the MCO must provide the pharmacy an increased reimbursement to the FFS allowed amount and the MCO must update its payable price on file to reflect the increase. The price update must be completed within 7 business days of the written notification of the outcome of the external claims dispute process to the MCO.

Excessive disputes of reasonably reimbursed claims

MCOs may use the following measures to discourage pharmacies from submitting excessive disputes of reasonably reimbursed claims.

If, within any 30 calendar day period, a pharmacy has disputed claims across 10 or more drug entities with distinct pricing and in more than half of the disputes either (1) the pharmacy declined to seek external review or (2) the outcome of the external process found the disputes were properly denied by the MCO, then the pharmacy shall be considered as having met the requirements for excessive disputes.

For pharmacies qualifying for excessive disputes, the MCO may dismiss all disputes submitted for a 60 calendar day period.

If the MCO implements this 60 calendar day period, it must notify both the pharmacy and the Department within 3 business days of such action.

The MCO may pend reimbursement disputes submitted to the MCO internal dispute process while awaiting the outcome of the external dispute process for the qualifying dispute.

Upon receipt of the outcome of the external claims dispute process when the internal dispute process outcome is in the pharmacy's favor, the MCO shall process pended disputes in order of receipt. For pended disputes, the 7 business day dispute resolution and notification requirement applicable to the internal claims dispute process shall begin on the date of the outcome of external claims dispute process.

A pharmacy may be considered as meeting requirements for treatment of excessive disputes of reasonably reimbursed claims anew every 60 calendar days.



Louisiana Department of Health and Hospitals

MCO External Claims Dispute Request for Local Pharmacies

Local pharmacy providers should utilize this form to submit a request for Myers and Stauffer, LC to review an External Claims Dispute of a Managed Care Organization (MCO) claim paid less than reasonable reimbursement as determined by Louisiana Department of Health and Hospitals (DHH). **Documentation of the provider's Internal Claims Dispute to the MCO along with the MCO's decision outcome and a screen-shot and/or print out of the paid adjudicated claim must be submitted with this form.**

Local Pharmacy Provider Information

Pharmacy Name _____
NPI _____
Phone _____
Fax _____
Email _____

Managed Care Organization

- Aetna Better Health/CVS Health
- Amerigroup/Express Scripts
- AmeriHealth Caritas/PerformRX
- Louisiana Health Connections/USScript
- United Healthcare/OptumRX

Claim Information (One claim per request form)

A screen-shot and/or print out of the paid adjudicated claim must be included with this form. **All information below must be submitted for an External Claims Dispute to be initiated.**

Drug Name _____
National Drug Code (NDC) _____
Prescription Number _____
Date of Service / Dispensation _____
Quantity Dispensed _____
Total Billed Amount _____
Total Reimbursement Amount (including disp. fee) _____

Please print and fax this form to 317-571-8481 (attention: Pharmacy MCO External Claims Dispute Unit) or scan and email this form to laMCOpharmacy@mslc.com.

By signing below, I acknowledge that all of the information above is complete and correct.

Name _____ Date _____
Title _____