



State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

MEMORANDUM

DATE: October 23, 2014

TO: Louisiana Legacy Medicaid and Shared Health Plans Pharmacy Providers

FROM: Melwyn B. Wendt, R.Ph., Pharm. D., Medicaid Pharmacy Director

SUBJECT: Sales Tax Reporting Requirements

This supersedes prior communications sent on August 21, 2014 and October 6, 2014.

Beginning **October 26, 2014**, all Louisiana Legacy Medicaid and Shared Health Plan claims with Third-Party Liability (TPL) payment information will have a new submission requirement. Pharmacies **must** include sales taxes received in a separate field when the claim is billed. The sales tax should be submitted in NCPDP field 431-DV and NCPDP field 342-HC must contain the value "10", to indicate sales tax. If the sales tax is \$0, then "0" should be submitted in the sales tax field. Do not include the sales tax amount in the 431-DV field when 342-HC is "07", Drug Benefit.

NCPDP field		Description
431-DV	342-HC value "10"	Tax amount or zero
431-DV	342-HC value "07"	Drug benefit not including tax

Between **October 26, 2014** and **December 8, 2014**, TPL claims submitted without values in fields 431-DV and 342-HC will receive an educational edit EOB 283 (Sales tax not on clm w/TPL).

Effective **December 9, 2014**, TPL claims submitted without tax information in NCPDP field 431-DV will deny at Point of Sale (POS) with:

NCPDP rejection code DV (Missing/Invalid Other Payer Amount Paid) mapped to EOB code 283 (Sales tax not on claim w/TPL)

There are no override provisions at POS.

This new requirement is necessary to ensure proper attribution of sales taxes that are collected at the Point of Sale (POS) for a TPL claim billed to Louisiana Medicaid. There will be no change to the existing process of Louisiana Legacy Medicaid and Shared Health Plan claims without third party payment.

The Department of Health and Hospitals (DHH) fiscal intermediary, Molina, has published the technical details related to NCPDP guidelines at www.lamedicaid.com.

If you have any questions, please contact Pharmacy POS Help Desk at 1-800-648-0790.

FREQUENTLY ASKED QUESTIONS (FAQs):

Q. Does this apply to all pharmacy claims that I bill Medicaid?

A. No. It applies only to pharmacy claims that have private TPL. It does not apply to pharmacy claims that do not have private TPL.

Q. Do I need to include the sales tax amount if there is no private TPL associated with the pharmacy claim?

A. No. The sales tax information is not necessary for pharmacy claims billed to Medicaid where there is no private TPL. If it is included, it will be accepted but ignored in the claims payment process.

Q. Do I need to include the sales tax amount on a pharmacy claim with TPL when I do not collect the tax or if the tax is zero?

A. You must send it with a zero amount, but if you do not, between October 26, 2014 and December 8, 2014 Molina's POS system will assume that it is zero and you will see an educational EOB edit 283 on your claim response from Molina. Effective December 9, 2014, claims will be denied with EOB 283 if an amount (tax amount or zero) is not submitted.

Q. What is the local sales tax percentage for my locale?

A. DHH does not have this information. We suggest that you consult with your local chamber of commerce or local governmental agencies since it varies.

Q. Do I need to include sales tax on a pharmacy claim with TPL when I collect sales tax from the primary payer?

A. Yes, you will need to submit the sales tax in NCPDP field 431-DV and a value of "10" in field 342-HC. Do not include the sales tax amount in the 431-DV field when 342-HC is "07", Drug Benefit. If no sales tax is returned from the primary payer, submit zero (0) in 431-DV with the value "10" in 342-HC.

Q. I've always included sales tax as part of the Drug Benefit (342-HC is "07"). Why do I have to reduce the Drug Benefit amount by the sales tax amount?

A. To ensure proper reimbursement, Molina is requiring the tax amount collected from the previous payer must be reported separately in a 431-DV field with a 342-HC qualifier of "10" in the Coordination of Benefits (COB) segment of the claim. Any remaining dollar amount can then be reported using the 342-HC value of "07" to identify the drug benefit portion of the COB segment. If the primary payer indicates that no sales tax was collected, it is important that you still send a zero in the 431-DV (342-HC of "10") to receive proper reimbursement.

Cc: Gail Williams
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