Medicaid bulletins contain important policy and billing information and should be shared promptly with billing staff.

Bulletins supplement information in the Medicaid Provider Manual and should be retained with the provider manual for reference. Retain all bulletins until published notification advises that the information is obsolete or reproduced in subsequent bulletins or provider manual updates.

Please direct questions about bulletins and billing information to Medicaid Provider Services.

---

## *All Providers*

### WINASAP and NECS Software to be Replaced by Web-based System

Once the Colorado Medicaid program is fully HIPAA compliant, the WINASAP and NECS software applications will not be used. A new web-based system is being developed to replace interactive eligibility verification and claims submission. The web-based system will also allow for retrieval of HIPAA transactions, such as the ASC X12N 835 (Remittance Statement files) and accept/reject reports for electronically submitted claims. More information about this web-based product is located in the "HIPAA News" section of this bulletin and in future Medicaid provider bulletins.

### Co-Payments

There is no authorized State directive requiring providers to bill or collect any co-payment from Medicaid clients. Whether or not the provider bills or collects the co-payment, the State will deduct the co-payment amounts from the provider's Medicaid reimbursement.

### PCP Contracts

The new PCP contract was mailed to PCP providers the first week in July 2003. Providers are reminded that the new contract must be completed, signed and returned by August 1, 2003 to the fiscal agent at:

Medicaid Provider Enrollment
P.O. Box 1100
Denver, CO 80201-1100

### Colorado Medicaid Prepares for HIPAA

The Colorado Department of Health Care Policy & Financing (HCPF) continues to work towards compliance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

Providers should contact their billing office staff, software vendors, clearinghouses and billing intermediaries immediately to inquire about their HIPAA readiness and which transactions they will, or will not support. Ask if an upgrade of your current software will be necessary. Providers should continue to use their professional associations as an informational resource. Ask about regional HIPAA efforts undertaken by these groups. These associations can serve as excellent sources of shared information regarding HIPAA.

### *HIPAA News*

**Revision to Provider Billing Manuals**

The State is reviewing and revising the Medicaid providers billing manuals. There will be major changes to a number of these documents. Look for the new-and-improved billing manuals on the web site in August 2003.

**Local Code Replacement**

The Colorado Medicaid Program has used many locally developed HCPCS codes to identify and reimburse various products, services, and supplies unique to the Medicaid program. Under HIPAA this will not be allowed. The State has completed mapping the local codes to national standard codes. This crosswalk will be available on the fiscal agent's website (http://coloradomedicaid.acs-inc.com) by September 2, 2003. Colorado will implement national standard codes on or before December 1, 2003. A special Medicaid Bulletin detailing the changes to local codes will be published in September 2003.

**Companion Guides to the HIPAA Implementation Guides**

The State will release a number of Companion Guides to help providers with their implementation of the HIPAA transactions. The guides will be available on the Colorado Medicaid website in August 2003. They outline the required formats and Medicaid specific acceptable values for the various transactions. The guides should be used in tandem with the X12N Implementation Guides for the HIPAA transactions. The Implementation Guides are available online at www.wpc-edi.com.

**Trading Partner Agreements**

Providers and billing agents who submit HIPAA transactions to the EDI Gateway will need to complete and sign new enrollment and Trading Partner Agreement forms.

Please watch the "What's New" section on the fiscal agent's website (http://coloradomedicaid.acs-inc.com). When the forms are available, they will be posted on the website for downloading. Please check the web site at least once a week!

**Submitter or Business-to-Business Testing**

Colorado Medicaid and its clearinghouse, ACS Electronic Data Interchange (EDI) Gateway, are well underway with internal testing of the various transactions. Submitter or Business-to-Business (vendors, billing agents, clearinghouses, and providers developing their own claims submission software) testing is scheduled to begin on August 14, 2003 and run through October 15, 2003. EDI will schedule other trading partners when they are ready to test, even if after the implementation date. During the testing phase, vendors or providers submit transactions to ACS EDI Gateway to ensure that:

1. Claims are properly formatted,
2. Claims contain appropriate values, and
3. Claims can be processed through the clearinghouse and passed successfully to the Colorado Medicaid claims processing system.

Effective immediately, trading partners may contact an ACS EDI Business Analyst 850-201-1630 (option 4) to enroll in EDIFECS, a web-based application that enables them to validate their X12 syntax. This service is made available by DHCPF and ACS to assist in the development of transaction software prior to beginning B2B testing on August 14, 2003.

**Replacement of WINASAP by the Web Portal**

The State has selected a vendor to develop a web-based application to replace the current WINASAP software. The new web portal application will have the same functionality as WINASAP has now. The new software will send and receive the new HIPAA mandated electronic transactions. Although the new web-based application is not directly related to the federally mandated HIPAA legislation, it does incorporate the HIPAA standard formats. The new software allows providers to:

1. Verify client eligibility,
2. Submit claims,
3. Check the status of their previously submitted claims,
4. Submit adjusted claims, and
5. Download Remittance Statement files and Provider Claim Reports.

Please check future bulletins and the fiscal agent's website (http://coloradomedicaid.acs-inc.com) for updates.

**Related Links**

The State is revising and updating the HIPAA related information on its website. For updated information, please go to www.chcpf.state.co.us. The State's website also provides key links for additional information. Please also check the Medicaid fiscal agent's website (http://coloradomedicaid.acs-inc.com) for HIPAA related updates.

# *Pharmacy Providers*

**Updated Pharmacy Appendix & Forms**

The following documents have been revised and are available on the fiscal agent's web site:

➢ Appendix M (Pharmacy 07/03) - Prior Authorization Criteria for Physicians and Pharmacists.
➢ Colorado Medicaid Prior Authorization Criteria for Oxycontin/Oxycodone ER (07/03) - Physicians must complete this form when billing for Oxycontin/Oxycodone ER
➢ Colorado Medicaid Prior Authorization Criteria for PPI & H2 Blocker B (revised 07/03)
    Physicians must complete this form when billing for PPI & H2 Blocker B

http://coloradomedicaid.acs-inc.com

July 2003

## Generic Drug Mandate

**Beginning July 29, 2003, the Medicaid Fee for Service and Primary Care programs will require a prior authorization for most brand-name drugs with a generic equivalent**. This new requirement is a result of legislation passed in May 2003.

**If a generic drug is prescribed, no additional action is required.** Only brand name drugs with an A rated generic require a prior authorization (where the generically equivalent drug is approved and is determined as therapeutically equivalent by the FDA). In order to prescribe a brand-name drug that has a therapeutically equivalent generic for a Medicaid client, physicians will be required to obtain a prior authorization. Prior authorization will not be required if:

1. The brand-name drug is exempted,
2. The reimbursement to the State for a brand-name drug makes the brand name drug less expensive than the cost of the generic equivalent, or
3. The physician is of an opinion that a transition to the generic equivalent of a brand-name drug would be unacceptably disruptive to the client's stabilized drug regimen. The physician should mark the prescription Dispense As Written. The prescription pays at the branded price unless the drug is listed as a Federal Upper Limit (FUL). The physician must have a prior authorization including a Med Watch form. The list of FUL drugs is listed on the following website: www.cms.hhs.gov/medicaid/drugs/drug10.asp

To request a prior authorization, the prescriber must call the PDCS prior authorization line at 1-800-365-4944 or fax a Med Watch form to PDCS at 1-888-772-9696. The prescriber must justify the medical reason for the brand name drug *prior* to dispensing the medication.

A limited number of brand-name drugs with generic equivalents are exempted from these new Medicaid requirements, they include:

1. Treatment of biologically based mental illness defined in 16-16- 104(5.5) CRS, which include:
   ➢ Schizophrenia, schizoaffective disorder, bipolar affective disorder, major depressive disorder, specific obsessive-compulsive disorder and panic disorder.
2. Treatment of cancer
3. Treatment of epilepsy
4. Treatment of Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome

## Changes to the Pharmacy Claims Processing System

On September 8, 2003 at 10:01 p.m. MDT (12:01 a.m. EDT), Colorado Medicaid will begin processing claims in the Prescription Drug Claims System version X2 (PDCSX2). PDCSX2 will go down at 12:01 a.m. EDT to convert the claims information from one system to the new PDCSX2. The system should not be down for more than 12 hours. Providers may begin submitting claims to PDCSX2 at 10:01 a.m. MDT.

Beginning October 16, 2003, HIPAA requires that all pharmacy providers submit claims using the NCPDP Version 5.1 Claim Format. The training schedule and registration form for the NCPDP Version 5.1 Claim Format is on the following page.

## Colorado Medicaid Pharmacy Provider Training (PDCSX2)

### Information and Registration

**Agenda**
- NCPDP Version 3.2 (3C) Claim Format
- Review of Required and Optional Information
- System Changes
- Overview of NCPDP Version 5.1 Claim Format
- Review of the NCPDP Version 5.1 Claim Format, Colorado specific
- General Discussion / Questions

The Medicaid fiscal agent strongly encourages providers to attend a training session. For your convenience, Provider Training will be held in three locations: Colorado Springs, Denver and Fort Collins. To guarantee space for all who wish to attend, please pre-register. Attendees may pre-register by faxing the form on the following page to 1-888-335-8461. *Please register by August 6, 2003.*

**Training Dates and Locations**

| Dates and Times | Location | Directions |
|---|---|---|
| **Monday, Aug 11**<br>**8:30 – 11:00**<br>**1:00 – 3:30**<br>**Colorado Springs** | **Courtyard Colorado Springs South**<br>2570 Tenderfoot Hill Street<br>Colorado Springs, CO 80906<br>Phone: 719-226-5006 | I-25 to exit 138 (Circle Drive). At the bottom of the exit ramp, make a left. Go to the 4th light; make a left then 1st right. |
| **Tuesday, Aug 12**<br>**8:00 – 10:30**<br>**Fort Collins** | **Fort Collins Marriott**<br>350 East Horsetooth Road<br>Fort Collins, CO 80525<br>Phone: 970-226-5200 | From the airport, Take Pena Blvd. to E-470 (toll $1.75). Go North on I-25 North. Exit at Harmony Rd. Go West to JFK Blvd.; turn right on JFK to the Marriott. The Marriott is on JFK and E. Horsetooth Rd. |
| **Tuesday, Aug 12**<br>**1:30 – 4:00**<br>**Denver** | **Courtyard Denver Downtown**<br>934 16th Street<br>Denver, CO 80202<br>Phone: 303-571-1114 | Take I-70 West to I-25 South. Take Speer Boulevard South to Lawrence St. Turn left onto 14th St. Turn right onto Curtis St. Turn left to 16th and Curtis. The Courtyard by Marriott is on the right side. The drive-in entrance is in the middle of the block, on the West side of the building. |
| **Wednesday, Aug 13**<br>**8:00 – 10:30**<br>**Denver** | **Courtyard Denver Downtown**<br>934 16th Street<br>Denver, CO 80202<br>Phone: 303-571-1114 | Take I-70 West to I-25 South. Take Speer Boulevard South to Lawrence St. Turn left onto 14th St. Turn right onto Curtis St. Turn left to 16th and Curtis. The Courtyard by Marriott is on the right side. The drive-in entrance is in the middle of the block, on the West side of the building. |

---

**Registration form for PDCSX2 Provider Training**

**Name:** _____    **Phone:** ( ) _____

**Address:** _____
            Street                    City            State      Zip Code

**Fax:** ( ) _____    **Email Address:** _____

**Pharmacy Name:** _____    **# Of Attendees:** _____

**Training Location:** _____    **Date:** _____    **Time:** _____

---

*Please pre-register by faxing this form to 1-888-335-8461.*
*Please register by August 6, 2003.*