Medi-Cal Rx Pharmacy Claim Processing for Other Health Care Benefits Coordination

February 3, 2022

A beneficiary eligible for Medi-Cal Rx may also have Other Health Coverage (OHC) prescription drug/medical supply coverage. The Department of Health Care Services (DHCS) is responsible for ascertaining liable third parties, or OHC, and ensuring the other payer is billed before Medi-Cal Rx. In accordance with State and Federal guidelines: California Welfare and Institutions Code sections 10020 and 14124.90, and Social Security Act section 1902 (a)(25)(A), OHC must be billed prior to billing Medi-Cal Rx.

A beneficiary is required to utilize their OHC prescription drug/medical supply coverage prior to their Medi-Cal Rx benefits when the same service/benefit is available under the beneficiary's private health coverage. Providers are not allowed to refuse Medi-Cal Rx services based upon potential third-party liability. If the beneficiary elects to seek services not covered by Medi-Cal Rx, Medi-Cal Rx is not liable for the cost of those services. To establish Medi-Cal Rx's liability for a covered Medi-Cal Rx service, the provider must obtain an acceptable denial notification (i.e., letter, claim denial information, remittance advice entry, etc.) from the OHC entity. If the OHC pays less than the standard Medi-Cal Rx reimbursement rate, the remaining cost may be billed to Medi-Cal Rx. If the third party denies the claim, the provider may bill Medi-Cal Rx again, including the denial information from the OHC payer.

For pharmacy providers using the Medi-Cal Rx Beneficiary Eligibility Lookup tool, the Demographics & Eligibility Details section in the "Other Health Coverage" field will display the Other Payer Name when the beneficiary's OHC on file with DHCS includes prescription drug/medical supply coverage. Refer to the *Medi-Cal Rx Provider Manual, Appendix G – OHC Carrier Information* for OHC contact information by searching for the Other Payer Name. Once the other insurer has been billed and they have either partially paid or denied the claim, a pharmacy claim can then be submitted to Medi-Cal Rx containing the OHC details and other payer's response. Then the Medi-Cal Rx pharmacy claim will be processed accordingly.

> **Notes**
> - **In the Medi-Cal Rx Beneficiary Eligibility Lookup tool results, if the beneficiary's OHC coverage on file with DHCS is *other* than prescription/medical supply coverage, the "Other Health Coverage" field will be blank.**

For pharmacy providers submitting Medi-Cal Rx pharmacy claims, if the beneficiary has OHC prescription drug/medical supply coverage on file with DHCS and the other insurer has *not* been billed, the Medi-Cal Rx pharmacy claim will be denied with a message of "Submit bill to other processor or primary payer" (Reject Code 41) along with the Other Payer ID. Refer to the *Medi-Cal Rx Provider Manual*, *Appendix G – OHC Carrier Information* for OHC contact information by searching for the OHC Other Payer ID. Once the other insurer has been billed and they have either partially paid or denied the claim, a subsequent pharmacy claim can then be submitted to Medi-Cal Rx containing the OHC details and other payer's response; the Medi-Cal Rx pharmacy claim will be processed accordingly.

> **Notes**
> - **Medi-Cal Rx pharmacy claims processing only considers a beneficiary's OHC prescription drug/medical supply coverage that is on file with DHCS. If the beneficiary's OHC coverage is *other* than prescription drug/medical supply coverage, the pharmacy claim will *not* be denied with Reject Code 41.**

For pharmacy providers accessing the Transaction Services or Automated Eligibility Verification System (AEVS) related to share of cost lookups and/or spenddown activities, a beneficiary's OHC coverage (prescription drug/medical supply and other) is provided in the eligibility response message. Prescription drug/medical supply coverage (in the "COV" portion of the message) is indicated with a "P" – Prescription Drugs/Medical Supplies or "R" – Medicare Part D. For additional information on the carrier and other scope of coverage code values, refer to the *Other Health Coverage Guidelines for Billing* and *Other Health Coverage Provider Manual*.

For additional Medi-Cal Rx information, refer to the *Coordination of Benefits (COB)* section of the *Medi-Cal Rx Provider Manual* or the "Coordination of Benefits" references in the *Medi-Cal Rx Payer Sheet*.

If the beneficiary indicates that they do not have prescription drug/medical supply OHC, the pharmacy provider can direct the beneficiary to the resources below so it can be corrected.

- **OHC Online Form:** Other Coverage (ca.gov) (click the **OHC Removal(s) Form** button). The URL for sharing with the beneficiary:
  https://www.dhcs.ca.gov/services/Pages/TPLRD_OCU_cont.aspx

- **OHC Online Form Step-by-Step:** Other Health Coverage Reference Guide (ca.gov). The URL for sharing with the beneficiary:
  https://www.dhcs.ca.gov/services/Documents/OHCReferenceGuide_0619.pdf