Tip Sheet for Pharmacy Rebate Data

Data Submission Tips to Assist Medicaid Collection of Manufacturer’s Rebate on Prescription Drugs

Medicaid Managed Care Organizations (MCOs) must report specific fields on incoming claims for multiple reasons, including: capitated rate setting, internal reporting, calculating best price per federal rule, and collection of manufacturer rebates. The ability to collect rebates on prescription drugs for recipients covered under Managed Care programs was added to Federal policy in 2010. The rebate program is seen as a way to provide relief for federal and state budgets, thereby mitigating the need for added cuts to Medicaid benefits or populations and for drug carve outs, which negatively impact clinical care for Medicaid enrollees.

This Tip Sheet is intended as a reminder about required data elements and the importance of the remediation of rejected claims that can be corrected.

In addition to standard reporting fields like identification of patient and provider, (prescriber and pharmacy) MCOs are required to submit valid, active NDCs with accurate quantity dispensed values. Florida Medicaid MCOs are also required by the Agency for Health Care Administration (AHCA) to report payment information in the Coordination of Benefits/Other Payments segment (COB). The Florida Medicaid D.0. Payer Specification Encounters document is the guideline for all required data elements. The following is only a selection of the items most directly related to rebate collection and those most commonly sent incorrectly.

Remediation of Rejected Encounters
The MCO contract with AHCA states, “Within thirty (30) days after encounters fail NCPDP edits, X12 (EDI) edits or FMMIS system edits, the Managed Care Plan shall correct and resubmit all encounters for which errors can be remedied.” Plans are advised to review their D.0. response files for rejected claims, identify repairable errors and resubmit corrected claims as required. All rejected encounters with repairable errors must be remediated.

Claim Segment
The NDC submitted on the claim must be currently active; MCO plans must ensure that their database is updated with the most current drug data to avoid paying for obsolete or terminated drugs.
**Pricing Segment**

All pricing fields must be fully reported and populated with accurate data based upon the information obtained during the Plan’s or PBM’s adjudication of the claim. For additional information or definition of these fields, Plans should consult the NCPDP Data Dictionary.

The most commonly unreported and/or misreported fields are:

a. Ingredient Cost Submitted (409-D9): The sum of all individual submitted product component costs of the dispensed prescription. This amount is included in the “Gross Amount Due” (430-DU.)
b. Usual and Customary Charge (426-DQ): Amount charged cash customers for the prescription—exclusive of sales tax or other amounts claimed.
c. Gross Amount Due (430-DU): Total price claimed from all sources. This is the sum of the following fields: Ingredient Cost, Dispensing Fee, Flat Sales Tax, Percentage Sales Tax, Incentive Amount, and Other Amount Claimed. This cannot be an amount less than or equal to $0.

**COB Segment**

The most commonly unreported and/or misreported fields in this segment are:

a. Other Payer Date (443-E8): The date the MCO/PBM processed the claim for the determination of Acceptance or Denial. Most often this is the date of the point-of-sale transaction.
b. Other Payer Amount Paid (431-DV): The amount that the MCO paid to the pharmacy. **It is not the amount paid to the PBM.**

Rebate collection on pharmacy encounter claims is integral for the State to properly set rates for Managed Care plans and to ensure the continued solvency of the program. It is crucial that Medicaid Managed Care plans actively participate by verifying the accuracy of the data submitted in fields required for rebate collection from manufacturers.

For assistance, or if you have questions concerning remediation of rejected encounters or required data elements, please contact the Encounter Technical Data Specialists at Magellan Pharmacy Solutions: [FLMCOSupport@magellanhealth.com](mailto:FLMCOSupport@magellanhealth.com).