

CORRECT USE OF OTHER COVERAGE CODES

OCCURRENCE	CORRECT OTHER COVERAGE CODE TO USE	(OVHA – VTM) Processing Policy Vermont Coverage Secondary to Alternate Insurance	(OVHAD – VTD) Processing Policy Vermont Coverage Secondary to Medicare Part B and Part D
The primary insurance plan pays a portion of the claim.	2 = Other coverage exists, payment collected from primary insurance.	Requires Submitted Patient Pay field and COB segment, detailing information on paid claim, including Other Payer ID and Other Payer Paid Amount. Claim will process based on Medicaid allowed amount. <u>Leaving this field blank is not permitted as it will result in the State paying the entire claim in full. These claims will be subject to recoupment.</u>	Requires Submitted Patient Pay field and COB segment, detailing information on paid claim, including Other Payer ID and Other Payer Paid Amount – claim will pay based on member cost share from PDP. Limitations: 1) OCC2 does not apply to full-benefit duals except in the event that the PDP makes a payment for a CMS Part D excluded drug (e.g. benzodiazepine). 2) Payment limited to \$5.60 for VPharm 100% LIS members. <u>Leaving this field blank is not permitted as it will result in the State paying the entire claim in full. These claims will be subject to recoupment.</u>
The primary insurance rejects the claim.	3 = Other coverage exists, claim rejected by primary insurance.	<u>Only to be used for over-the-counter drugs.</u> Claims submitted with an OCC = 3 will be subject to an edit to determine if drug is OTC; if so, the state will pay claim if all other state criteria is met. State would prefer Other Payer Reject Code, but field is not currently required. <u>For non-OTC drugs:</u> If the primary payer denies a claim because the drug requires a prior authorization or it is a non-formulary drug, then the primary carrier’s prior authorization procedures must be followed.	Claims submitted with an OCC = 3 will be subject to an edit to determine if drug class is Excluded from Part D coverage by CMS; if so, state will pay claim if all other state criteria is met. If product is not an Excluded Drug from CMS for Part D coverage, state will reject claim. State would prefer Other Payer Reject Code, but field is not currently required. OCC=3 does not apply to Medicare Part B.
The primary insurance carrier processes the claim but does not make a payment because: a) The member is in a deductible period, b) The member is in the Part D donut hole, or c) The payment is less than the patient’s copayment.	4 = Other coverage exists, payment not collected from primary	Requires Submitted Patient Pay field and complete COB segment. Claim will pay based on Medicaid allowed amount. OCC = 4 is not to be used when the primary claim has been denied by the primary insurance plan because the drug requires a prior authorization or it is a non-formulary drug. If found during a State audit, these claims will be subject to recoupment.	To be used when member has deductible or “donut hole” and primary payer is not making payment on claim; requires Submitted Patient Pay field and complete COB segment. Claim will pay based on member cost share from PDP. Also used for Part B deductible. Limitations for OCC4: 1) Does not apply to Part D claims for full-benefit duals, and 2) Payment limited to \$5.60 for VPharm 100% LIS members. OCC = 4 is not to be used when the primary claim has been denied by the Part D Plan because the drug requires a prior authorization or it is a non-formulary drug. If found during a State audit, these claims will be subject to recoupment.
The primary insurance plan rejects the claim because coverage no longer exists.	7 = Other coverage exists, not in effect on Date of Service (DOS)	To be used if member’s other coverage no longer exists; state will process claim.	Claim will reject.
The Part D Plan processes the claim with a negative amount for payment.	8 = Billing for Copay	Not applicable	<i>(Only used when Other Payer Paid Amount is \$<0)</i> Requires Submitted Patient Pay field and COB segment, detailing information on paid claim, including Other Payer ID and <i>negative</i> Other Payer Paid Amount. Claim will pay based on member cost sharing.