

Long-term-care pharmacy information

Humana recognizes the unique operational model and services provided by the pharmacies in its long-term-care (LTC) network. Whether the scope of the pharmacy's services to LTC facilities is predominantly institutional or part of the mix of services offered by a retail pharmacy, the following resources provide policies and direction for services to Humana members in institutional settings. While most of the needs that LTC pharmacy providers have are covered by the materials in the main portion of this manual, the following addresses some of the unique features of the LTC pharmacy network.

LTC claim processing guidelines

Effective **Jan. 1, 2014**, CMS requires all retail and mail-order pharmacies to submit the patient residence code (NCPDP field 384-4X) and pharmacy service type (NCPDP field 147-U7) on all Medicare Part D claims. Claims submitted with a missing or invalid code will be rejected at the point of sale. The tables below list valid patient residence codes and pharmacy service types.

Patient residence codes	Description
0	Not specified; other patient residence not identified below
1	Home
3	Nursing facility
4	Assisted living facility
6	Group home
9	Intermediate care facility
11	Hospice

If the pharmacy submits a Part D claim with a missing patient residence code, the claim will reject with NCPDP reject code 4X and return the following message: **"Missing/Invalid Patient Residence Code"**

If the pharmacy submits a Part D claim with an invalid patient residence code, the claim will reject with NCPDP reject code 4Y and return the following message: **"Patient residence not supported"**

Pharmacy service types	Description
1	Community/retail pharmacy services
2	Compounding pharmacy services
3	Home infusion therapy provider services
4	Institutional pharmacy services
5	Long-term-care pharmacy services
6	Mail-order pharmacy services
7	Managed care organization pharmacy services
8	Specialty care pharmacy services
99	Other

If the pharmacy submits a Part D claim with a missing or invalid pharmacy service type, the claim will reject with NCPDP reject code U7 and return the following message: **"Missing/Invalid Pharmacy Service Type"**

Nebulizer solutions covered under Part D for LTC residents

For Humana's claims-processing system to recognize that a claim for inhalation solutions, such as albuterol (to be used in nebulizers, not metered-dose inhalers), is for LTC facility resident, the claim should be submitted with a patient residence code of "03" or "04." If this patient residence code is not submitted with the claim, the claim will be rejected.

Long-term-care short cycle dispensing/appropriate dispensing (for Medicare-Medicaid dual demonstrations only)

Humana has implemented point-of-sale claims processing logic to comply with CMS Part D requirements related to appropriate dispensing for brand, oral, solid medications in the long-term-care pharmacy setting.

Submission requirements

LTC pharmacies submitting claims for brand, oral, solid medications that are subject to appropriate dispensing requirements must submit the following fields for proper claim adjudication:

- **Patient residence** (NCPDP field 384-4X) – This field communicates where the patient resides. Several values are used in this field to communicate LTC, but Humana only applies appropriate dispensing requirements to claims submitted with a patient residence code of 3 (nursing facility).
- **Pharmacy service type** (NCPDP field 147-U7) – This field communicates the type of service being performed by a pharmacy when different contractual terms exist between a payer and the pharmacy or when benefits are based upon the type of service performed.
- **Submission clarification code** (NCPDP field 420-DK) – This field is used to identify the dispensing frequency used by the pharmacy (e.g., every 14 days, every seven days, etc.).
- **Special package indicator** (NCPDP field 429-DT) – This field is used in appropriate dispensing to identify the type of packaging used in dispensing the medication.

Claims submitted by LTC pharmacies for generic, non-oral, solid medications (e.g., topical creams, lotions, etc.) and unbreakable packages (physically unbreakable or FDA-labeled to be dispensed in the manufacturer's packaging) are excluded from Humana's appropriate dispensing requirements and do not undergo this editing. In accordance with CMS guidance, Humana considers a product "brand" or "generic" according to the FDA's approval. Brands are drugs receiving new drug application (NDA) approval; generics receive abbreviated new drug application (ANDA) approval.

Rejections

If an LTC pharmacy submits a claim for a brand, oral, solid medication that is subject to the appropriate dispensing requirement, it must contain valid information in all the appropriate fields (as indicated previously for appropriate dispensing and on the Humana payer sheet for all claims) in order to be processed. If an LTC pharmacy does not submit the required fields, one of the following messages will be returned to the pharmacy with the claim rejection:

NCPDP reject code 613: "The Packaging Methodology or Dispensing Frequency is Missing or Inappropriate for LTC Short Cycle" – This rejection is returned if the pharmacy submits an LTC claim, but fails to include both an appropriate submission clarification code and special package indicator.

NCPDP reject code 597: "LTC Dispensing Type Does Not Support The Packaging Type"

NCPDP reject code 612: "LTC Appropriate Dispensing Invalid Submission Clarification Code (SCC) Combination"

Combination pharmacies

Some pharmacies participate in Humana’s pharmacy network under multiple service types. For example, a pharmacy may maintain a traditional community (ambulatory) pharmacy with a storefront that serves walk-in customers, while also serving members residing in an institutional setting. When submitting claims, these pharmacies should be sure to include the LTC-appropriate dispensing fields that are required on LTC claims. Otherwise, the claim will process as a “retail” claim and bypass the appropriate dispensing edits.

Copayments

When an LTC-appropriate dispensing claim **successfully meets the required elements** (i.e., additional fields that must be submitted are present and valid) and is otherwise appropriately payable (i.e., no other edits apply), then Humana’s point-of-sale system will calculate and “prorate” any member copayment that is applicable to the claim according to the member’s Part D benefit. Below is an example of Humana’s proration procedure:

Applicable member copayment (31-day)	\$31
Days’ supply submitted on the claim	14
Prorated copayment	\$14
Calculated daily copayment	\$1

Long-term-care attestation

Humana reimburses its contracted LTC pharmacy providers directly for cost-share amounts related to retroactive subsidy- level changes for eligible Low-Income Subsidy Medicare Part D beneficiaries administered by Humana, who meet the CMS definition of institutionalized individuals (“members”) as per Medicare Part D guidance. Humana understands that LTC pharmacy providers’ general practice is not to collect cost-sharing amounts from LIS or suspected LIS members or their responsible parties but to defer collection until the member’s health plan remits payment of the cost-share directly. Applicable law prohibits providers from “waiving” cost-sharing charges for Medicare beneficiaries, except under certain stated limited circumstances. Humana also may need to rework member cost share amounts for Medicaid or commercial based plans that may include benefit or copay administration corrections, eligibility changes, and formulary tier changes. Your cost-share collection practices should be guided by the following principles:

- 1. Your practice:** We request that you attest that your general practice consists of (i) not collecting member or suspected member cost-share, (ii) deferring collection and (iii) accepting health plan remittance that is in compliance with the terms of the member’s benefit plan as payment in full.
- 2. Notification:** As a potential Humana-contracted network LTC pharmacy provider, you agree to notify Humana within 30 calendar days of any changes to this attestation of cost-share collection practices for eligible beneficiaries.
- 3. List of participating pharmacies:** As a Humana network LTC pharmacy provider, you also agree to provide a current list of participating pharmacies, which shall be authorized to use and shall use the National Council for Prescription Drug Programs (NCPDP) number. You understand and agree that those participating pharmacies are included in, and subject to the terms of this attestation.

If you do not provide this completed and signed attestation, it will affect your ability to contract with Humana as a participating Humana provider and may result in sanctions, up to and including termination of your future Pharmacy Provider Agreement.

Please contact Humana at 1-888-204-8349 if you have not submitted your cost-share collection practices. This attestation is collected in accordance with the requirements of applicable CMS regulations and instructions. Representatives are available to assist you from 8 a.m. to 11 p.m. Eastern time, Monday through Friday.