

GENERAL INFORMATION SYSTEM

DIVISION: Office of Medicaid Management

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GIS 03 MA/018

TO: Local District Commissioners, Medicaid Directors, Third Party Supervisors

FROM: Betty Rice, Director
Division of Consumer and Local District Relations

SUBJECT: Mail Order Prescription Plans

EFFECTIVE DATE: Immediately

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The purpose of this GIS message is to inform social services districts that Medicaid payments may be made for cost-effective, prescription drug co-payments for recipients whose health insurance plans offer a prescription drug benefit through a mail order company.

When health insurance plans offer mail-order prescription drugs, the insured is usually required to pay a co-payment before the mail order company will provide the drugs. Since the mail order companies are not Medicaid providers, they are not prohibited from billing the insured. Rather than pay the co-payment, many Medicaid recipients fill their prescriptions at their local pharmacy using their Medicaid card.

In order to reduce Medicaid expenditures, local districts may pay the required co-payment on behalf of the recipient if it is determined to be cost effective. Cost effectiveness is determined by comparing the co-payment amount and the Medicaid cost for that drug.

Where it is determined that payment will be made for a co-payment on behalf of the recipient, it should be paid as a health insurance premium in accordance with 18 NYCRR 360-7.5(g), using one of the following methods:

Agency Payment to Recipient - Where the recipient has paid the co-payment to the mail order company, the recipient must present appropriate receipts to the local social services district for reimbursement.

Agency Payment to the Carrier - If the recipient presents a prescription to the local social services district, co-payment may be made directly to the mail order company.

Payments made in accordance with the provisions of 18 NYCRR 360-7.5(g) shall be reimbursable as medical assistance expenses. Federal and state reimbursement may be claimed for health insurance premiums (pay type 24) through the LDSS-157 "Schedule E, Computation of Federal and State Aid on Medical Assistance" or by use of the Benefits Issuance System (BICS). The total amount of co-payments paid should be reported on Line 24 (Health Insurance premiums) of the Schedule E.