

Question: Several members that have experienced significant delays when they have filed claims with Medco for reimbursement of prescription drugs purchased from non-participating pharmacies. Is there any reason for delays in payment of prescription drug reimbursement claims? Are there widespread problems with the handling of claims by Medco? Is there anything else Plan members can or should do when faced with a delay in reimbursement other than contacting Premera or your office?

Response from Freda Miller on 2-13-08:

Reported delays in the processing of pharmacy claims has been researched thoroughly by the Division, in concert with several legislators in the past few months, which included tracking several test claims to determine what may be occurring. What we found, generally, was that delays in processing were usually due to the claim containing insufficient information to facilitate claim processing. Instructions for submitting a non-participating prescription drug claim are on pages 89-90 of the Retiree Insurance Information Booklet. This section lists the requirements for an Rx receipt to be processable. Seven pieces of information are needed, and if the prescription doesn't contain all seven, it is not possible to be processed.

Having said that, there are also a couple of other issues that we found. If the member is not the one who is submitting their own Rx claims (maybe the non-par pharmacy does this for the member as a courtesy) then they don't know for certain when or even if that claim was submitted, in order to timely track the turn around time. The contract with Premera mandates that 85% of all clean claims received be processed within 12 days. A clean claim is defined as one that contains all the information necessary to process it. 90% of all claims must be processed within 30 days. If these requirements are not met, Premera is contractually obligated to pay penalties. We have been paid penalties in the past, but currently they are operating above the penalty limits. The other issue we discovered is that often members are mailing their non-par Rx claims to an incorrect address.

My suggestions to your members are to:

- First, understand what information is required to be on the drug receipt. When it says "Prescription Number" that doesn't mean the number assigned to your personal prescription by the pharmacy. That means the number the DEA has assigned to each drug that is available in the US to purchase. With the booklet rewrite project that the Division is currently working on, this will be addressed and spelled out better for members to understand what the terms mean.
- Second, if members are allowing a non-par pharmacy to submit claims for them, request that they provide notice when the claim is filed and what the claim included so the member knows approximately when to expect the reimbursement. In our research we found that although members were purchasing Rx's throughout the month, the claim for the entire month was sometimes not actually submitted until much later. (We even saw several claims where there were three months worth of drug purchases on one claim, submitted up to three months after the actual purchase.) Claim turn-around time upon investigation showed claims were paid generally within 3-10 days of receipt. If claims

aren't submitted timely by a non-par pharmacy, though, the member may not have any idea that that is really what took place. Bottom line, the member is responsible for filing non-par pharmacy claims, no one else.

- Thirdly, members that are submitting claims themselves may want to “track” the next several claims to absolutely confirm or deny that claims are not being processed timely. There is tracking available on any USPS item for a nominal fee (I think it's about \$0.40). That at least will provide the member with comfort that they know the claim was received and when, so they can start the time clock on receipt of payment.
- Lastly, make sure the address members are sending their claims to is the correct one for drugs purchased at a non-par pharmacy. The address is listed on the claim form (as are the requirements for a receipt) and is:

Medco Health Solutions, Inc.
P.O. Box 14711
Lexington, KY 40512

Below is a link to the form itself, for your convenience:

<https://www.premera.com/stellent/groups/public/documents/xcpproject/pdfs/CF907421.pdf>

Although this is a rather lengthy response, I hope it will help you assist members who think they have pharmacy claim timeliness issues. It is always the right thing to do to call Premera if there are any questions on a claim in particular. If the member is not satisfied with the response, have them ask for a supervisor.