

June 9, 2008

Clarification of contractual requirements for pharmacies submitting claims for durable medical equipment

In 2006, Blue Cross and Blue Shield of Minnesota issued new participating provider agreements to all participating pharmacies in order to ensure that the most accurate and current agreements are in effect for both parties. Blue Cross requested that the pharmacies sign their new pharmacy Aware[®] agreements, and this process was successfully completed in May 2007.

Since that time, there has been a need for clarification of the expectation of Blue Cross participating pharmacies with respect to the proper activities for certain subscriber pharmacy purchases.

Aware Agreement

The Aware Agreement, Article III, Section A, "Scope of Services" states: "Provider shall provide Health Services to Subscribers for eligible Prescription Drugs which are authorized by a valid prescription." This section also includes the dispensing of durable medical equipment (DME) to Blue Cross subscribers.

Pharmacy responsibilities

It is the responsibility of the participating pharmacy to submit the claims for all such eligible services to Blue Cross on behalf of the subscriber. The pharmacy can only bill the subscriber for any applicable copayments at the time of purchase. The provider shall not charge the individual subscriber for covered health services prior to submitting the claim to Blue Cross for processing, as stated in Article IV, section H, Subscriber Liability. This provision allows for the proper adjudication of the claim by Blue Cross in order to correctly determine the applicable deductible and/or coinsurance amounts that may be due from the subscriber. After the claim is processed by Blue Cross, you will be notified of the proper amount to bill the subscriber, if any balance remains due from the subscriber.

It is also the responsibility of all participating providers to abide by all other terms and provisions of the agreement including, but not limited to, the administration of the coordination of benefits provisions. This process is detailed in Article III, Section M, Coordination of Benefits.

We value the relationship we have in jointly providing services to our subscribers.

Questions?

If you have questions, please contact provider service at **(651) 662-5200** or **1-800-262-0820**.

Please route this bulletin to other interested staff.