| | |
|---|---|
| Policy: | MA.6108 |
| Title: | **Medication Coordination of Benefits (COB)** |
| Department: | Medical Management |
| Section: | Pharmacy Management |
| *CEO Approval:* | */s/ Michael Hunn 12/16/2024* |
| Effective Date: | 01/01/2006 |
| Revised Date: | 12/01/2024 |
| Applicable to: | ☐ Medi-Cal<br>☒ OneCare<br>☐ PACE<br>☐ Administrative |

## I. PURPOSE

This policy defines the criteria and process for the development and operation of a system for Coordination of Benefits (COB) with other providers of prescription drug coverage.

## II. POLICY

A. CalOptima Health and its Pharmacy Benefit Manager (PBM) shall coordinate benefits with a Member's Other Health Coverage (OHC).

B. CalOptima Health shall conduct a survey of Members regarding other sources of prescription drug coverage within thirty (30) calendar days after enrollment and at least annually thereafter.

1. CalOptima Health's Customer Service Department shall update Member records based on the information provided by a Member to reflect changes in coverage.

2. A Member shall consent to the release of information collected and obtained from other sources.

C. CalOptima Health and the PBM shall comply with all administrative processes and requirements established by the Centers for Medicare & Medicaid Services (CMS) to ensure effective exchange of information and coordination between CalOptima Health and OHC for:

1. Payment of premiums and coverage; and

2. Payment for supplemental prescription drug benefits for Members enrolled in CalOptima Health and an entity that provides other prescription drug coverage.

D. CalOptima Health shall establish and maintain connectivity with CMS systems to allow direct access to OHC status information.

E. CalOptima Health and the PBM shall coordinate, at minimum, the following elements:

1. Enrollment file sharing;

2. Claims processing and payment;

3. Claims reconciliation reports;

4. Third-party reimbursement of out-of-pocket costs;

5. Application of protection against high out-of-pocket expenditures; and

6. Other administrative processes and requirements specified by CMS.

F. CalOptima Health shall not impose fees on entities offering other prescription drug coverage that are unrelated to the cost of the COB.

1. CalOptima Health may impose user fees to OHC for costs related to COB between CalOptima Health and OHC.

2. CalOptima Health shall impose user fees that are reasonable and related only to CalOptima Health's actual COB costs.

## III. PROCEDURE

A. CalOptima Health shall submit information regarding a Member's OHC, including any prescription identifiers, electronically to the CMS COB contractor. Prescription identifiers may include, but are not limited to:

1. Bank identification number (RxBIN);

2. Processor control number (RxPCN);

3. Carrier group number (RxGRP); and

4. Identification number (RxID).

B. A Member shall disclose all expenditures for covered Part D drugs made by OHC to CalOptima Health.

C. CalOptima Health shall retroactively adjust claims and True Out-of-Pocket (TrOOP) balances based on new OHC information that will change the prescription drugs event (PDE) and claims records.

D. CalOptima Health and the PBM shall process claims and track TrOOP in real time.

E. If a Member is eligible for a subsidy as described in Title 42, Code of Federal Regulations, Subpart P, CalOptima Health shall reimburse the Member or the entity paying cost-sharing on behalf of the Member, any excess premiums and cost-sharing that the Member, or the entity paying cost-sharing on behalf of the Member paid to CalOptima Health before the effective date of the Member's eligibility for the subsidy.

## IV. ATTACHMENT(S)

Not Applicable

## V. REFERENCE(S)

A. Application from Medicare Advantage Prescription Drug Plans (MA-PD) Sponsors, 2019 Contract Year

B. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
C. Medicare Prescription Drug Benefit Manual, Chapter 14: Coordination of Benefits
D. Social Security Act, Section 1860 D-2(b)(4)(D)(ii)
E. Title 42, Code of Federal Regulations (C.F.R.), §§ 423.464(a), (c), (f), and 423.800(c)
F. Title 42, Code of Federal Regulations (C.F.R.), §423, Subpart J and Subpart P

## VI. REGULATORY AGENCY APPROVAL(S)

None to Date

## VII. BOARD ACTION(S)

None to Date

## VIII. REVISION HISTORY

| Action | Date | Policy | Policy Title | Program(s) |
|---|---|---|---|---|
| Effective | 01/01/2006 | MA.6108 | Medication Coordination of Benefits | OneCare |
| Revised | 03/01/2013 | MA.6108 | Medication Coordination of Benefits | OneCare |
| Revised | 12/01/2014 | MA.6108 | Medication Coordination of Benefits | OneCare |
| Revised | 06/01/2015 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 11/01/2016 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 11/01/2017 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 10/01/2018 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 12/01/2019 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 02/01/2020 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 09/01/2021 | MA.6108 | Medication Coordination of Benefits | OneCare<br>OneCare Connect |
| Revised | 12/31/2022 | MA.6108 | Medication Coordination of Benefits | OneCare |
| Revised | 09/01/2023 | MA.6108 | Medication Coordination of Benefits (COB) | OneCare |
| Revised | 12/01/2024 | MA.6108 | Medication Coordination of Benefits (COB) | OneCare |

## IX. GLOSSARY

| Term | Definition |
|---|---|
| Centers for Medicare & Medicaid Services (CMS) | The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs. |
| Coordination of Benefits (COB) | When a Part D enrollee has other prescription drug coverage, COB allows each of the plans that provide coverage for this same beneficiary to determine their respective payment responsibilities. |
| Member | A beneficiary enrolled in the CalOptima Health OneCare program. |
| Other Health Coverage (OHC) | Evidence of health coverage other than OneCare including, but not limited to:<br><br>1. The CalOptima Health Medi-Cal program;<br>2. Group health plans;<br>3. Federal Employee Health Benefits Program (FEHB);<br>4. Military coverage, including TRICARE;<br>5. Worker's Compensation;<br>6. Personal Injury Liability compensation;<br>7. Black Lung federal coverage;<br>8. Indian Health Service;<br>9. Federally qualified health centers (FQHC);<br>10. Rural health centers (RHC); and<br>11. Other health benefit plans or programs that provide coverage or financial assistance for the purchase or provision of Covered Part D Drugs on behalf of Part D eligible individuals as the Centers for Medicare & Medicaid Services (CMS) may specify. |
| Pharmacy Benefit Manager (PBM) | An entity that provides pharmacy benefit management services, including contracting with a network of pharmacies; establishing payment levels for network pharmacies; negotiating rebate arrangements; developing and managing formularies, preferred drug lists, and prior authorization programs; maintaining patient compliance programs; performing drug utilization review; and operating disease management programs. |
| True Out-of-Pocket (TrOOP) | True Out-of-Pocket (TrOOP) costs are the payments that count toward a Part D beneficiary's Medicare drug plan out-of-pocket threshold. TrOOP costs determine when a beneficiary's catastrophic coverage will begin. |