Return To:
Department of Labor and Industries
Provider Accounts
PO Box 44261
Olympia WA 98504-4261
(360) 902-5140
FAX (360) 902-4484

Instructions for SUPPLEMENTAL AGREEMENT THIRD PARTY PHARMACY PROVIDER

DEFINITIONS:

"Pharmacy" shall mean a qualified institution with a valid NCPDP and/or NPI number that has been issued a provider number by the department to furnish prescription services to injured workers.

"Third-Party Pharmacy Biller" is the term used to describe an entity that submits pharmacy bills on behalf of the associated pharmacy or has purchased pharmacy bills from the dispensing pharmacy for subsequent submission to the department's Medical Information Payment System (MIPS) for payment.

"**Pharmacy Point of Service (POS)"** is the term used to identify the real-time pharmacy bill processing system that finalizes most prescription bills at the point of entry as either paid or denied.

PURPOSE:

The purpose of this agreement is to define access, performance and legal requirements for Third Party Pharmacy Billers submitting pharmacy bills to and receiving payment from the Department of Labor and Industries (L&I) State Fund on behalf of the pharmacy providers for prescription services provided to injured workers pursuant to the Industrial Insurance Act. This agreement is also to authorize the department to accept and remit any monies due the Pharmacy for the billed prescription services to the Third Party Pharmacy Biller.

PROVISIONS:

1. The POS system adjudicates and notifies the dispensing pharmacy, through POS edits, of several potential drug therapy issues including potential high dose, therapeutic duplication, drug to drug interactions, refill too soon, prescriber endorsement status, therapeutic interchange requirements and many other administrative edits. All edit issues must be resolved prior to dispensing the medication to the injured worker.
2. All edits must be resolved in real time by the dispensing pharmacy prior to dispensing the medication to the injured worker.
3. Pharmacies may submit bills for prescriptions for all open and allowed State Fund claims. The dispensing pharmacies can also submit bills for workers who pay for their prescriptions when their claims have not been initiated. L&I reimburses the worker after the claim has been allowed and the prescription authorized.
4. All pharmacy bills associated with Third Party Pharmacy Billers must be electronically submitted through the POS system.

The pharmacy provider and the Third Party Pharmacy Biller agree:

1. To meet and maintain all applicable state and/or federal licensing or certification requirements to assure the department of the provider's qualifications to perform services.
2. To comply with all Federal Laws and with Washington State Laws including Title 51 RCW, Washington Administrative Code (WAC), including but not limited to, Chapters 296-19A, 296-20, 296-21, 296-23, and 296-23A, and policies adopted by the department, including fee schedules and medical coverage decisions.
3. That providing services to or filing an accident report on behalf of an injured or ill worker who is covered under the department's jurisdiction, constitutes acceptance of the requirements of Title 51 RCW, and the WACs, including but not limited to, Chapters 296-19A, 296 -20, 296-21, 296-23, and 296-23A, and policies adopted by the department, including fee schedules and medical coverage decisions.
4. To bill the department, self-insured employer or self-insured employer's authorized service company the provider's **usual and customary charges** for services rendered to injured or ill workers as required by Washington State law.
5. To accept the department's or self-insured employer's payment as sole and complete remuneration for services provided to the worker as required by Washington State law. **THE PHARMACY PROVIDER AND THE THIRD PARTY PHARMACY BILLER AGREE NOT TO BILL AN INJURED WORKER FOR:**
   a. services covered by the industrial insurance program which are related to the industrial injury or occupational disease;
   b. or, the difference between the billed and paid charges; or
   c. the difference between the provider's customary fee and the department's fee schedule.
6. In the event a provider believes additional funds are due, the provider may submit a Provider's Request for Adjustment Form to the department for consideration in accordance with the instructions contained on the Remittance Advice.
7. That if the provider receives payment from the department or self-insurer in error or in excess of the amount properly due under the applicable rules and procedures the provider will promptly return to the department or self-insurer any excess monies received.
   a. The department may audit the provider's records to determine compliance with the rules and regulations of the department as provided in Washington State law.
8. To maintain documentation and records for a minimum of five years to support the services and levels of services billed. The provider agrees that these records and supportive materials will be made available to the department upon request as provided in Washington State law.
9. To notify the department immediately, in writing, of any changes to information in this application - or provider status (e.g., federal tax identification number, ownership, incorporation, address, etc.).
   a. **A change in ownership or federal tax ID number may require a new provider account number.**
10. The dispensing Pharmacy and the Third Party Pharmacy Biller accept full responsibility for the accuracy and truthfulness of all bills submitted through the Third Party Pharmacy Biller for payment to L&I, including but not limited to the prospective drug utilization review (ProDUR) edits and the endorsing practitioner's "dispense as written" override.
11. The dispensing Pharmacy and the Third Party Pharmacy Biller accept full responsibility for all warrants endorsed by the Third Party Pharmacy Biller, which shall be considered payment for services. Neither L&I nor the injured worker shall be held further accountable for such payments.
12. The dispensing Pharmacy and Third-Party Pharmacy Biller understand that payment from L&I is from state funds, and that any falsification or concealment of a material fact may be prosecuted under state laws.

13. The Pharmacy and Third-Party Pharmacy Biller shall comply with all billing requirements and format specifications that are current at the time of submission.
14. The Third-Party Pharmacy Biller using the POS system agrees to the following:
    a. To return all edits/rejections to the dispensing pharmacy for resolution before the prescription is dispensed;
    b. To refrain from billing an injured worker for services covered by the department;
    c. To refrain from billing the injured worker any difference between a charged amount and the amount paid pursuant to payment policies and fee schedules;
    d. To reimburse the injured worker the difference between the amount paid by the department and the amount paid directly by the injured worker for prescriptions.
15. The dispensing Pharmacy agrees to the following:
    e. To reconcile all edits before dispensing a prescription, including but not limited to those edits posted because of the department's ProDUR program, the statewide preferred drug list (PDL) program, and other administrative edits;
    f. To participate in the statewide PDL, endorsing practitioner and therapeutic interchange program as required by law;
    g. To keep all documentation relevant to the edit reconciliation for at least 5 years, including those bills submitted by the Third-Party Pharmacy Biller and;
    h. To permit and cooperate with audits to verify the accuracy of any edit reconciliations including those bills submitted by the Third-Party Pharmacy Biller.

The pharmacy provider will be held to all the terms of this agreement even though a third party may be involved in billing claims to the department.

The department reserves the right to deny, revoke, suspend, or condition a provider's authorization to participate in the pharmacy POS system subsequent to notification of noncompliance with the terms of this application. The department reserves the right to deny, revoke, suspend or condition a provider's authorization to treat injured workers in accordance with Washington Law.

Any party may terminate this agreement at any time by submitting a notice of termination in writing.

Instructions for completing the form

1. Enter the name of the third party pharmacy biller.
2. Enter the L&I assigned dispensing pharmacy provider number associated with the third party pharmacy biller.
   a. If you do not have a current L&I provider number for the pharmacy, you will need to complete and return an L&I Provider Application and a W-9 form along with the Third Party Pharmacy Provider Supplemental Agreement.
3. Enter the billing address where payments should be mailed.
4. Enter the Tax Payer Identification Number (EIN or SSN).
5. Enter the contact person's name
6. Enter the contact person's phone number where we may call to ask questions regarding your bills or account, if necessary.
7. Print the name and title of person authorizing this agreement.
8. Must be signed and dated for agreement to be processed.
9. Enter the name of the dispensing pharmacy.
10. Enter the dispensing pharmacy's NCPDP number [formerly known as the NABP number].
11. Enter the dispensing pharmacy's National Provider Identifier (NPI) number.
12. Enter the dispensing pharmacy's Tax Payer Identification Number (EIN or SSN).
13. Enter the dispensing pharmacy's address [physical location of the business].
14. Enter the dispensing pharmacy's contact person's name
15. Enter the dispensing pharmacy's contact person's phone number where we may call to ask questions regarding pharmacy transactions, if necessary.
16. Print the name and title of the person authorizing the third party pharmacy biller to submit bills on the dispensing pharmacy's behalf.
17. Must be signed and dated for agreement to be processed.

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SUPPLEMENTAL AGREEMENT THIRD PARTY PHARMACY PROVIDER

Pharmacy Provider and Third-Party Pharmacy Biller's Statement of Agreement

By signing this agreement, all parties agree to abide by the terms of this application and all applicable federal and Washington State statutes, rules, and policies.

THIRD PARTY BILLER INFORMATION	**To be completed by Third Party Pharmacy Biller**
1 Third Party Pharmacy Biller Name	2. *Third Party Biller Pharmacy Provider Number
3. Billing Address (where payments should be mailed)	4. Tax ID
5. Contact Name	6. Contact Phone Number ( )
7. Print Name (Third Party Pharmacy Biller Administrator)	Title
I agree to abide by the terms of this agreement and by all applicable federal and Washington State statutes, rules and policies.	
8. Signature	Date

DISPENSING PHARMACY INFORMATION	**To be completed by the Pharmacy**
9. Pharmacy Name	10. NCPDP Number
	11. National Provider Identifier
	12. Tax ID
13. Pharmacy Address [physical location of business]	
14. Contact Name	15. Contact Phone Number ( )
16. Print Name (Pharmacy Administrator)	Title
I agree to abide by the terms of this agreement and by all applicable federal and Washington State statutes, rules and policies.	
17. Signature	Date

*Note: If you do not have a current L&I provider number for the pharmacy above you will need to complete and return an L&I Provider Application and W-9 Form along with the Third Party Pharmacy Provider Supplemental Agreement.

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