



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
310 GREAT CIRCLE ROAD
NASHVILLE, TENNESSEE

MEMORANDUM

TO: TennCare Pharmacists
DATE: September 9, 2008
RE: TennCare PBM Transition (**Updated**)

Effective **October 1, 2008** SXC Health Solutions will take over managing the TennCare Pharmacy benefit. To ensure a smooth conversion, pharmacies should be aware of the following events and requirements. Our prior authorization and help desk hours of operation, telephone number and fax number will remain the same under SXC's operation.

TennCare network participation agreements with SXC's were due September 8, 2008. Pharmacies that did not complete the agreement by this date may not be included in our initial directories and could be reimbursed at a less favorable rate. All information regarding the network contracting and the new payer sheet can be found on our web site at <http://tennessee.gov/tenncare/pro-pharmacy.html>. Direct any questions regarding network agreements to SXC's Provider Relations department at 480-362-5227.

The First Health Clinical Call center will stop taking new prior authorization requests at 5:00pm CT on September 30, 2008. All requests received before this time this will be completed and loaded into SXC's system the following day. SXC's prior authorization unit will begin full operation at 7:00am CT **October 1, 2008**. Should a patient need a prior authorization during this gap, submit your claim using the Emergency Three-Day Supply process. All TennCare claim processing by First Health will cease at 11:59pm ET on September 30, 2008. SXC will begin processing claims at 12:00am CT on **October 1, 2008**. Note that there will be an hour gap because the processors are located in different time zones.

Our conversion to a new claim system requires the transfer of claims history and eligibility records. Most of this work will have been completed well in advance of the implementation. However, the eligibility records provided to SXC by TennCare have effect dates of **October 1, 2008** for all recipients and transactions occurring during the last days of September may not be loaded into SXC's system at start up. **Therefore, all claims and reversals for prescriptions dispensed in September should be submitted before 11:59pm ET September 30, 2008.** Claims submitted on or after 12:01am CT October 1, 2008 with earlier fill dates will reject with a NCPDP 67 error code. Reversals straddling the conversion date may also fail. SXC will screen claim rejects and failed reversals and update system records concurrently. Pharmacists should resubmit transactions daily until they process. Should you need to expedite a resubmission, please contact the SXC technical call center. Please bear in mind that we anticipate a high call demand around the start date.

A number of changes have also been made to the TennCare PDL. Changes will be effective **October 1, 2008**. Patients currently receiving a deleted product will be grandfathered for 3 to 6 month depending on the product. A complete listing of the PDL changes is available at <http://tennessee.gov/tenncare/pro-pharmacy.html>.

Thank you for your participation in the TennCare program.