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New York State

Medicaid Update

THE OFFICIAL NEWSLETTER OF THE NEW YORK STATE MEDICAID PROGRAM



SPECIAL EDITION

JULY 2011

VOLUME 27 - NUMBER 9

Medicaid Pharmacy Benefit Changes

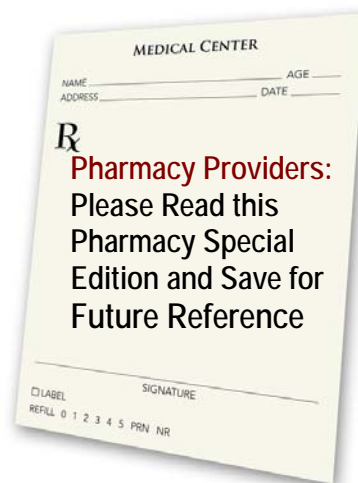
The enacted 2011-2012 New York State (NYS) Budget included several significant changes to the Medicaid pharmacy benefit. These changes were proposed as a result of the efforts of the newly commissioned Medicaid Redesign Team (MRT), which was established in January 2011 and charged with reducing costs while increasing quality and efficiency in New York's Medicaid program.

This is the first of several articles intended to provide information to providers regarding upcoming MRT changes that are related to pharmacy benefits. Included in this edition is a summary and timeline of upcoming changes, as well as important information to assist providers as they transition beneficiaries through the process.

Future Medicaid Update articles will provide additional details and guidance for each of the initiatives, as they are implemented. Please keep this special edition available to use as a general reference.

Current and comprehensive information on the MRT is available online at:

http://www.health.ny.gov/health_care/medicaid/redesign/.



Stay up-to-date on the Medicaid Redesign Team!

Sign up for e-mail alerts online at:

http://www.health.ny.gov/health_care/medicaid/redesign/listserv.htm

Andrew M. Cuomo
GOVERNOR
State of New York

Nirav R. Shah, M.D., M.P.H.
COMMISSIONER
New York State DOH

Jason A. Helgeson
MEDICAID DIRECTOR & DEPUTY
COMMISSIONER
Office of Health Insurance Programs



The Medicaid Update is a monthly publication of the New York State Department of Health.



Medicaid Redesign Team (MRT) Proposal #11

Bundle Pharmacy into Medicaid Managed Care

Effective October 1, 2011, beneficiaries enrolled in Medicaid managed care and Family Health Plus (FHPlus) will receive pharmacy benefits through their plans. Beneficiaries will be issued new identification cards by their plans and will be instructed to present their new card at the pharmacy, rather than their Medicaid card. Network pharmacies should submit claims directly to the beneficiary's managed care plan. It is expected that not all beneficiaries will remember to bring their new identification cards to the pharmacy. Therefore, in a future update, we will be including detailed processing information by plan that will assist pharmacies in submitting claims. This guidance will include, but will not be limited to, the following information for each plan; Pharmacy Benefit Manager (PBM), Processor Control Number (PCN), and Bin Number.

Plans will establish their own formularies and prior authorization processes. However, plan formularies must include all categories of prescription drugs on the NYS Medicaid fee-for-service list of reimbursable drugs. Plans will also be required to maintain an internal and external review process for exceptions. There will be no change in beneficiary co-pay amounts. Managed care plans will administer the enrollment and credentialing of their network providers. Reimbursement rates will be set by the plan and/or their Pharmacy Benefit Manager (PBM). Plans will also be responsible for managing and auditing their pharmacy networks. If there is a suspicion of fraud or abuse, the Office of Medicaid Inspector General (OMIG) will work with the health plan to review and evaluate the situation. The card swipe requirement will not apply to managed care beneficiaries. The managed care plans will set policy and/or guidance regarding identity verification and/or signature requirements.

Plans will be required to develop and implement comprehensive implementation and communication plans designed to ensure access to medications and a smooth transition. The Department of Health (DOH) will review and approve transition plans according to established requirements.

The transition plan, requirements and implementation timeline are available online at:
http://www.health.ny.gov/health_care/medicaid/redesign/supplemental_info_mrt_proposals.htm.

Beneficiaries will be notified by both Medicaid and the managed care plans of the change in their benefit. Additional information and detailed guidance will be shared with providers prior to October 1, 2011. The most current MRT information, including Frequently Asked Questions for MRT Proposal #11, are available online at: http://www.health.ny.gov/health_care/medicaid/redesign/

Additional information on Medicaid Managed Care can be found at the following Web sites:

Managed Care Manual: <https://www.emedny.org/ProviderManuals/ManagedCare/index.aspx>.

Medicaid and Managed Care: http://www.health.ny.gov/health_care/managed_care/mamctext.htm.

Managed Care by County: http://www.health.ny.gov/health_care/managed_care/mmc_counties/.

Local Departments of Social Services: http://www.health.ny.gov/health_care/medicaid/ldss.htm.

Beneficiary Rights: http://www.health.ny.gov/health_care/medicaid/#rights.



Medicaid Redesign Team (MRT) Proposal #15

Reform the Medicaid Fee-for-Service (FFS) Pharmacy Program

While pharmacy benefits for the majority of Medicaid beneficiaries will be bundled into managed care effective October 1, 2011, approximately 1.5 million beneficiaries will continue to access pharmacy benefits through the Medicaid FFS program. Beneficiaries that are not currently enrolled in a managed care plan will continue to obtain pharmacy benefits from Medicaid until such time that they are moved into managed care or care management. Pharmacy providers should continue to bill Medicaid for these claims. In addition, for dual eligible beneficiaries enrolled in both Medicaid and Medicare Part D plans, Medicaid will reimburse only for eligible drugs in classes excluded by Medicare.

For billing purposes, beneficiaries remaining in the fee-for-service program will continue to present their Medicaid card at the pharmacy.

Summary of Changes: Effective April 1, 2011:

- ▶ Pharmacy reimbursement for brand name drugs is reduced to AWP minus 17%.
- ▶ Pharmacy dispensing fees for generic drugs reduced to \$3.50.
- ▶ Across the Board (ATB) rate reduction for all pharmacy providers.
- ▶ The HIV specialty pharmacy enhanced reimbursement is eliminated.
- ▶ The Department of Health is exploring Average Acquisition Cost (AAC) as a basis of Medicaid pharmacy reimbursement.

Effective June 1, 2011:

- ▶ The ability for pharmacists to override the early refill edit due to medication being lost or stolen using Submission Clarification Code Field 420-DK "04" was eliminated (this is consistent with our policy change related to early refill requests due to vacation or temporary absences where the Submission Clarification Code Field 420 DK "03" was eliminated in July 2010).

Effective August 25, 2011:

- ▶ Prior authorization (PA) requirements for non-preferred drugs will be based on the effective date of implementation instead of the date the prescription was written. When a PA requirement is implemented, all new prescriptions and any refills remaining of existing prescriptions will require prior authorization.
- ▶ Reimbursement rates for clotting factors will be paid at the lower of actual acquisition cost or State Maximum Allowable Cost (SMAC).

Effective October 1, 2011:

- ▶ Eliminate Medicaid coverage and reimbursement of drugs in the following classes that are available to Medicaid/Medicare dual eligible beneficiaries through their Medicare Part D Plans: antidepressants, antiretrovirals, atypical antipsychotics and immuno-suppressants.
- ▶ Non-preferred drugs in the following classes will no longer be exempt from prior authorization requirements under the Preferred Drug Program: antidepressants, antiretrovirals, atypical anti-psychotics and immuno-suppressants.

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Detailed information on each of the initiatives included in MRT #15 Medicaid Pharmacy Fee-for-Service Reform is available online at:
http://www.health.ny.gov/health_care/medicaid/redesign/docs/descriptions_of_recommendations.pdf

The most current MRT information, including Frequently Asked Questions for MRT #15 is available online at:
http://www.health.ny.gov/health_care/medicaid/redesign/

Additional information on the Medicaid Fee-for-Service Pharmacy Program can be found at the following Web sites:

Pharmacy Manual: <https://www.emedny.org/ProviderManuals/Pharmacy/index.html>

Medicaid Pharmacy Program: http://www.health.ny.gov/health_care/medicaid/program/pharmacy.htm

Fee-for-Service Preferred Drug List: <https://newyork.fhsc.com/>

Beneficiary Rights: http://www.health.ny.gov/health_care/medicaid/#rights

Questions? Please contact the Bureau of Pharmacy Policy and Operations at (518) 486-3209 or via e-mail to:
ppno@health.state.ny.us



Medicaid Redesign Team (MRT) Proposals #24, 30 and 42

Medicaid Benefit Changes for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)

The 2011-2012 enacted State budget also included revisions to Social Services Law which limit coverage for enteral nutritional formula, compression and support stockings and prescription footwear.

Summary of benefit changes effective April 1, 2011:

- ▶ Stocking coverage is limited to treatment during pregnancy or open wounds.
- ▶ Prescription footwear coverage is limited to treatment of foot complications in children under age 21 and diabetics, or when a shoe is part of a leg brace (orthotic).
- ▶ Enteral nutritional formula coverage is limited to tube feeding and inborn metabolic diseases. In children under age 21, oral formulas remain covered when caloric and dietary nutrients cannot be absorbed or metabolized.

For further coverage and authorization details, please visit:

<https://www.emedny.org/providermanuals/DME/communications.html>.

A Healthy Life Starts With Healthy Food

As much as possible everyone should try to purchase and prepare wholesome, fresh and healthy foods. This allows you to control ingredients like dietary fats, carbohydrates and sodium and also portion size, texture and taste. If you have special dietary needs, speak with your physician or dietician to learn how to make healthy food choices that are right for you. There are also many programs that assist people to afford healthy food.



To learn more about good nutrition and healthy food choices, visit the following Web sites:

Myplate.gov: <http://www.choosemyplate.gov/>.

Fruits and Veggies Matter: <http://www.fruitsandveggiesmatter.gov/>.

Nutrition for Everyone: <http://www.cdc.gov/nutrition/everyone/basics/index.html>.

Nutrition.gov: http://www.nutrition.gov/nal_display/index.php?info_center=11&tax_level=1.

Food and Nutrition Information Center: http://fnic.nal.usda.gov/nal_display/index.php?tax_level=1&info_center=4.

Phone #: (301) 504-5414

Eatright.org: <http://www.eatright.org/Public/content.aspx?id=206>.

To learn more about food assistance programs, visit the following Web sites:

Growing Up Healthy (WIC): http://www.health.ny.gov/prevention/nutrition/wic/local_agencies.htm.

Phone #: (800) 522-5006

Food Stamps (SNAP): <http://www.otda.state.ny.us/programs/food-stamps/>

Phone #: (800) 342-3009

New York State Food Bank Association: <http://www.foodbankassocnys.org/find-food-bank.cfm>

Phone #: (518) 433-4505

New York City Food Bank: www.foodbanknyc.org

Phone #: (212) 566-7855

New York State Hunger Prevention and Nutrition Assistance Program

<http://www.health.ny.gov/prevention/nutrition/index.htm>

Phone #: (518) 402-7392

Questions? Please contact the Division of Provider Relations and Utilization Management at (800) 342-3005, option #1.

PROVIDER DIRECTORY

Office of the Medicaid Inspector General:

For general inquiries or provider self-disclosures, please call (518) 473-3782.

For suspected fraud complaints/allegations, call 1-877-87FRAUD (1-877-873-7283), or visit www.omig.ny.gov.

Provider Manuals/Companion Guides, Enrollment Information/Forms/Training Schedules:

Please visit the eMedNY Web site at: www.emedny.org.

Questions about billing and performing MEVS transactions?

Please call the eMedNY Call Center at (800) 343-9000.

Provider Training:

To sign up for a provider seminar in your area, please enroll online at: <http://www.emedny.org/training/index.aspx>.

For individual training requests, call (800) 343-9000 or email: emednyproviderrelations@csc.com.

Enrollee Eligibility:

Call the Touchtone Telephone Verification System at any of the following numbers:

(800) 997-1111, (800) 225-3040, (800) 394-1234.

Address Change?

Address changes should be directed to the eMedNY Call Center at: (800) 343-9000.

Fee-for-Service Providers: A change of address form is available at:

<http://www.emedny.org/info/ProviderEnrollment/allforms.html>.

Rate-Based/Institutional Providers: A change of address form is available at:

<http://www.emedny.org/info/ProviderEnrollment/allforms.html>.

Does your enrollment file need to be updated because you've experienced a change in ownership?

Fee-for-Service Providers please call (518) 402-7032.

Rate-Based/Institutional Providers please call (518) 474-3575.

Comments and Suggestions Regarding This Publication?

Please contact Kelli Kudlack at: medicaidupdate@health.state.ny.us.

Do you suspect that a Medicaid provider or beneficiary has engaged in fraudulent activities?

PLEASE CALL: 1-877-87FRAUD

Your call will remain confidential. You may also complete a complaint form online at: www.omig.ny.gov.

