Medicaid Pharmacy Carve-Out: Delayed to April 1, 2023

As modified by the State Fiscal Year (SFY) 2022 Enacted Budget, the transition of the New York State (NYS) Medicaid pharmacy benefit from Medicaid Managed Care (MMC) to the Fee-for-Service (FFS) Program (i.e., the Pharmacy Carve-Out) has been delayed until April 1, 2023. This article provides information regarding this two-year delay and reiterates important policies the NYS Department of Health (Department) will continue implementing as well as promoting in preparation for the April 1, 2023 pharmacy carve-out implementation date.

MMC enrollees will continue to receive their pharmacy benefits through their MMC Plans and should direct any pharmacy benefit questions to their respective MMC Plans. Medicaid FFS members can continue accessing information on their pharmacy benefits, including full listings of covered prescription drugs, over-the-counter (OTC) products, and medical supplies via the eMedNY NYS Medicaid Member home page at: https://member.emedny.org/. Providers are encouraged to direct Medicaid members to this home page for assistance in locating resources by using the following tools: “Find a Pharmacy/Medical Equipment Supplier”, “Search for Covered Prescription Drugs and Over-the-Counter (OTC) Products”, and “Search for Covered Medical Supplies”. If Medicaid members need assistance using these tools, they are encouraged to call (855) 648-1909.

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Policy and Coverage Information

Prescription Limits Change – Duration and Refills
Effective June 24, 2021, prescriptions will be valid and may be filled for up to one year from the date issued. After the prescription expires, new prescriptions will be required from prescribers, even when refills remain on the original prescriptions. Under current FFS requirements, prescriptions are only valid for six months and must be filled within 60 days of the date issued. Prior authorizations (PAs) can now be requested beyond six months or five refills provided there are no other drug limitations based on duration of use. Refill and PA allowance may be less based on the Federal Drug Administration (FDA) labeling and/or best practices.

Updates to the Medicaid FFS Formulary (List of Reimbursable Drugs)
In order to allow more drugs requiring administration by a practitioner to be available through the medical and pharmacy benefits, the Department will include additional practitioner administered drugs in the FFS formulary in a phased approach beginning in June 2021. The Medicaid FFS Outpatient Pharmacy Formulary can be found on the eMedNY Medicaid Pharmacy List of Reimbursable Drugs web page at: https://www.emedny.org/info/formfile.aspx. Practitioner administered drugs dispensed as a pharmacy benefit must be delivered by pharmacies directly to the sites of administration. Requirements for delivery can be found under the delivery section within the updated eMedNY NYS Medicaid FFS Program: Pharmacy Manual Policy Guidelines, located at: https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf. For information on drugs available via the MMC Plans Pharmacy Benefit, providers can refer to the NYS MMC Pharmacy Benefit Information Center at: https://mmcdruginformation.nysdoh.suny.edu/.

Provider Enrollment

A prescriber participating in the network of a MMC Plan is required by the 21st Century Cures Act to enroll in Medicaid FFS. Physicians, Nurse Practitioners, Physician Assistants, Podiatrists, Dentists, Optometrists, Audiologists, and Certified Nurse Midwives may enroll using the process described below.

1. Visit the eMedNY Provider Enrollment and Maintenance web page at: https://www.emedny.org/info/ProviderEnrollment/index.aspx.
2. Select “Practitioner” from the “Provider List Filter” located on the right-hand side of the web page.
3. Select the appropriate licensed profession (provider type).

For providers that only wish to Order/Prescribe/Refer/Attend (OPRA) and not bill Medicaid, there is an OPRA enrollment option. Information regarding how to enroll as a Medicaid FFS OPRA provider can be found on the eMedNY OPRA Provider Enrollment and Maintenance web page at: https://www.emedny.org/info/ProviderEnrollment/physician/Option2.aspx.

For providers that wish to bill the FFS Program for all covered services, in addition to prescribing, full enrollment as Medicaid FFS billing providers is also an option. Information regarding how to enroll as a Medicaid FFS billing provider can be found on the eMedNY Billing Medicaid Provider Enrollment and Maintenance web page: https://www.emedny.org/info/ProviderEnrollment/physician/Option1.aspx. There are exceptions to the prescriber enrollment requirements for certain authorized prescribers, which are outlined in the article titled Pharmacy Billing Guidance Exceptions for Non-Enrolled Prescribers found in the March 2021 issue of the Medicaid Update located at: https://www.health.ny.gov/health_care/medicaid/program/update/2021/docs/mu_no03_mar21_pr.pdf.
Pharmacies
All pharmacies participating in the network of a MMC Plan are required to enroll in Medicaid FFS per the 21st Century Cures Act. Pharmacies that are located outside of NYS can now enroll under certain circumstances. The Department has updated the Pharmacy Enrollment Policy to facilitate enrollment of community-based pharmacies in bordering states (Connecticut, Massachusetts, New Jersey, Pennsylvania, and Vermont). The policy also provides an enrollment pathway for pharmacies servicing NYS Medicaid members that are located outside of New York and bordering states. Information on how pharmacies enroll in the Medicaid FFS Program can be found on the eMedNY Pharmacy Provider Enrollment web page at: https://www.emedny.org/info/ProviderEnrollment/pharm/index.aspx.

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Providers
The updated DMEPOS Provider Enrollment Policy can be found within the eMedNY NYS Medicaid Program: DMEPOS Manual Policy Guidelines at: https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf. DMEPOS providers that are located outside NYS may apply for enrollment if they meet the newly established guidelines. DMEPOS providers located in states bordering New York may enroll if they support New York Medicaid members in the common medical marketing area. Other out-of-state (OSS) DMEPOS manufacturers and mail order suppliers may also be considered on a case-by-case basis as outlined in the NYS Medicaid Program: DMEPOS Manual Policy Guidelines. Information about the Durable Medical Equipment (DME) Supplier application process can be found on the eMedNY DME Supplier Provider Enrollment and Maintenance web page at: https://www.emedny.org/info/ProviderEnrollment/dme/index.aspx.

Physician Dispensers
This is to clarify previously issued guidance titled Practitioner Dispensing found in the January 2021 issue of the Medicaid Update, located at: https://www.health.ny.gov/health_care/medicaid/program/update/2021/docs/mu_no01_jan21_pr.pdf. Enrollment is intended for individually enrolled physicians, not physician groups. This corresponds with the Practitioner Dispensing limitations in the law. Applications submitted for physician groups are not allowed for Physician Dispenser enrollment. Please note: In concert with the Pharmacy Carve-Out delay, the enrollment process and claims submission for physicians who dispense outpatient drugs is delayed concurrently. Physicians that are enrolled in Medicaid FFS as a physician billing directly or through a group practice will have the opportunity to apply as a “Physician Dispenser” after system enhancements are enabled. Information regarding physician dispensing may be found on the eMedNY Physician Manual web page at: https://www.emedny.org/ProviderManuals/Physician/index.aspx.

Questions
All questions regarding this update should be directed to the Medicaid Pharmacy Policy unit by email at ppno@health.ny.gov or by phone at (518) 486-3209.

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Attention Pharmacy Providers: New Prescriptions

A New York State (NYS) Medicaid member who has exhausted prescription refills may initiate a renewal in one of three ways:

1. The Medicaid member contacts their prescriber for a renewal.
2. The Medicaid member contacts their pharmacy for a renewal and gives the pharmacy consent to contact the prescriber on their behalf. The pharmacy must retain documentation that includes the date and time of member contact, the name of the Medicaid member or authorized agent, the specific prescription request, the name of the pharmacy staff member who handled the request, and how the request originated (such as by phone or walk-in).
3. The pharmacy contacts the Medicaid member to inquire if a renewal is necessary, obtains consent if it is, and then contacts the prescriber on their behalf. The pharmacy must retain documentation that includes the date and time of successful outreach effort, the name of the Medicaid member or the authorized agent name with their response, the specific prescription request, the name of the pharmacy staff member who initiated the contact, and the method of contact (such as by phone or electronic means).

Reminders:
- A prescription/fiscal order must originate from the office of the prescriber.
- A fax-back may not be used to bill a prescription/fiscal order to Medicaid.
- A fax received as a failed electronic prescription order may not be used to bill a prescription/fiscal order to Medicaid.
- A fax received at the pharmacy that is not on an *Official NYS Prescription* form with its unique serial number, is not an original prescription.

Questions
All questions regarding this policy should be directed to the Medicaid Pharmacy Policy Unit by phone at (518) 486-3209 or by email at PPNO@health.ny.gov.
Help Stop the Spread of COVID-19 by Sharing the COVID Alert NY App

As more New Yorkers download the New York State Department of Health’s COVID Alert NY app every day, providers are encouraged to continue sharing the COVID Alert NY app information with partners and consumers. This information is available at: https://info.nystateofhealth.ny.gov/sites/default/files/COVID_AlertNY_OnePager_V5.pdf. Together everyone can help stop the spread of this virus.

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Attention: Qualified New York State Medicaid COVID-19 Vaccine Providers

The New York State (NYS) Department of Health (DOH) has increased the Coronavirus Infectious Disease 2019 (COVID-19) vaccine administration fee from $13.20 per dose to $40.00 per dose effective for dates of service on or after April 1, 2021. The NYS Medicaid coverage policy and billing guidance document regarding COVID-19 vaccines authorized for emergency use has been updated and is titled NYS Medicaid Coverage Policy and Billing Guidance for the Administration of COVID-19 Vaccines Authorized for Emergency Use, located at: https://www.health.ny.gov/health_care/medicaid/covid19/guidance/billing_guidance.htm. This document, along with many others, are available on the NYS DOH COVID-19 Guidance for Medicaid Providers web page, located at: https://health.ny.gov/health_care/medicaid/covid19/index.htm, and they are updated regularly. Providers are urged to monitor this guidance for all policy and billing updates.

Questions:

- All Medicaid fee-for-service (FFS) coverage and policy questions should be directed to the Office of Health Insurance Programs (OHIP), Division of Program Development and Management (DPDM) by phone at (518) 473-2160 or by email at FFSMedicaidPolicy@health.ny.gov.
- All Medicaid Managed Care (MMC) reimbursement, billing, and/or documentation requirement questions should be directed to the enrollee’s MMC Plan.
- All FFS claim questions should be directed to the eMedNY Call Center at (800) 343-9000.

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Medicaid Consumer Fact Sheets Now Available

Following a recommendation from the Medicaid Redesign Team (MRT) II, the New York State (NYS) Department of Health (DOH) Office of Health Insurance Programs (OHIP) created Medicaid consumer fact sheets focused on chronic health conditions. Each fact sheet provides information regarding how a condition can help be prevented or managed, as well as relevant Medicaid benefits that can be used to help members stay healthy. Topics include sickle cell disease, diabetes, high blood pressure, asthma control, HIV-PrEP (Human Immunodeficiency Virus - Pre-Exposure Prophylaxis), and smoking cessation. Fact sheets can be found on the MRT II Policies and Guidance web page, at: https://health.ny.gov/health_care/medicaid/redesign/mrt2/policy/index.htm, and are available in English, Spanish, Traditional Chinese, Russian, Haitian Creole, Bengali, and Korean. The most recently added Sickle Cell Disease fact sheet is also available in Simplified Chinese, Polish, Yiddish, Arabic, and Italian.

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NY State of Health: Significant New Tax Credits Available
Now to Lower the Cost of Health Coverage

Increased financial assistance to help pay for health insurance is now available to current and new consumers enrolling in a health plan through NY State of Health, the State’s official health plan marketplace. This financial assistance is made available by the American Rescue Plan Act, found at: https://www.congress.gov/bill/117th-congress/house-bill/1319/text, which President Biden recently signed into law. More than 150,000 consumers who are already enrolled in coverage will receive increased tax credits, further lowering their health care costs.

In addition, in June 2021, NY State of Health will expand tax credits to tens of thousands of additional New Yorkers who previously did not qualify for financial assistance based on their income level. NY State of Health will provide additional information in the coming weeks.

To allow as many consumers as possible to access these enhanced tax credits and in light of the ongoing public health emergency, the 2021 Open Enrollment Period has been extended through December 31, 2021. Consumers can apply for coverage through the NY State of Health website, at: https://nystateofhealth.ny.gov, by phone at (855) 355-5777, or by connecting with a free enrollment assistor via the NY State of Health “Find a Broker/Navigator” search tool at: https://nystateofhealth.ny.gov/agent/hx_brokerSearch?fromPage=INDIVIDUAL&lang=en.

Additional Information:
- More detail is provided in the How NY State of Health Enrollees Benefit from the American Rescue Plan web page, found at: https://info.nystateofhealth.ny.gov/americanrescueplan.

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Changes Impacting Providers Serving Children Effective July 1, 2021

New York State (NYS) Medicaid-covered children/youth in the care of Voluntary Foster Care Agencies (VFCAs) or placed in foster homes certified by Local Departments of Social Services (LDSS) will be enrolled in Medicaid Managed Care (MMC) Plans on July 1, 2021, including Mainstream MMC Plans and HIV (Human Immunodeficiency Virus) Special Needs Plans (SNPs), unless they are otherwise excluded or exempt from mandatory MMC. **Effective July 1, 2021, VFCAs will no longer be the payor for services** provided to this population; providers will be reimbursed directly by Medicaid FFS or the child/youth’s MMC Plan.

MMC Plans will contract with VFCAs that will become licensed to provide a limited set of health-related services to children/youth in their care pursuant to Article 29-I of the NYS Public Health Law. MMC Plans are seeking and offering contracts with community providers with expertise in working with as well as treating the foster care population. Pharmacies and other providers serving this population are strongly encouraged to enroll in the NYS Medicaid Program as well as engage with MMC Plans in their area to ensure continued coverage for their patients. LDSS are reminded of the critical importance to verify existing coverage and/or establish Medicaid enrollment immediately upon a child/youth’s entry into foster care to prevent potential delays in coverage and/or payment.

Medicaid coverage for eligible children/youth will be retroactive to the beginning of the month in which the child/youth enters foster care. Enrollment in the child/youth’s selected MMC Plan will be retroactive to the month in which the Medicaid case was established. Upon establishment of Medicaid coverage and issuance of a Medicaid Client Identification Number (CIN), claims for services provided during this retroactive coverage period can be billed to the child/youth’s MMC Plan for the period during which plan coverage applies or to eMedNY for the fee-for-service (FFS) coverage period.

Providers are encouraged to work collaboratively with the LDSS and the VFCA if there is a service need prior to the CIN being issued. Providers are also reminded to honor letters of coverage, as instances may arise where children/youth require immediate and medically necessary services prior to receiving ID cards. Policy requirements for this transition, including continuity of care requirements for transitioning children/youth enrolling in an MMC Plan, 29-I Health Facility rate information, and 29-I Health Facility services guidelines are located on the NYS Department of Health (DOH) 29-I Health Facility (VFCA Transition) web page at: https://www.health.ny.gov/health_care/medicaid/redesign/behavioral_health/children/vol_foster_trans.htm.

**Questions**
All questions should be directed to BH.transition@health.ny.gov.
Edit 02304 — Zero Fill: Pend Manual Review for All Professional Claims

Effective June 1, 2021, claims setting edit 02304 – Zero Fill will enter into “pend” status to the Department of Health (DOH) for subsequent manual review. The corresponding Health Insurance Portability and Accountability Act of 1996 (HIPAA) codes that will be reported on the 835 remittance is Claim Adjustment Reason Code “22” and Remittance Remark Code “N36”. While the claim(s) is pended, the corresponding claim status response codes will be “596”.

For further information regarding the manual review and document submissions, providers can refer to the following announcements:


Questions and Additional Information:

- General questions regarding claims submission should be directed to the eMedNY Call Center at (800) 343-9000.
- All questions regarding specific medical pended claims should be directed to the Bureau of Medical Review, Pended Claims Unit at (800) 342-3005 (option 3).

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New York State Medicaid Fee-for-Service Retroactive Repricing for COVID-19 Vaccine Administration Reimbursement for Professional and Pharmacy Claims

As previously mentioned in the now revised (May 13, 2021) New York State (NYS) Medicaid Coverage Policy and Billing Guidance for the Administration of Coronavirus Infectious Disease 2019 (COVID-19) Vaccines Authorized for Emergency Use, found at: https://health.ny.gov/health_care/medicaid/covid19/guidance/docs/billing_guidance.pdf, further changes have been made to the reimbursement amount for COVID-19 vaccine administration. The link to this document, along with links to many others providing information through the State of Emergency, can be found on the COVID-19 Guidance for Medicaid Providers web page at: https://health.ny.gov/health_care/medicaid/covid19/index.htm. This web page is maintained to provide links to guidance and information that is updated frequently. Providers are urged to monitor this page and linked guidance for policy and billing updates.

The NYS Department of Health (DOH) increased the COVID-19 vaccine administration fee from $13.20 per dose to $40.00 per dose, effective for dates of service on or after April 1, 2021. This reimbursement change was the result of guidance within the Centers for Medicare and Medicaid Services (CMS) Coverage and Reimbursement of COVID-19 Vaccines, Vaccine Administration, and Cost Sharing under Medicaid, the Children’s Health Insurance Program (CHIP), and Basic Health Program resource toolkit, located at: https://www.medicaid.gov/state-resource-center/downloads/covid-19-vaccine-toolkit.pdf, and authorized under the American Rescue Plan Act, effective April 1, 2021.
NYS DOH will start the process of retroactively adjusting claims adjudicated after April 1, 2021 through May 31, 2021. The Department expects this repricing to take place over the course one cycle. Adjustments will be completed by remittance cycle 2287 and will be available to view on July 7, 2021.

Adjustments made to affected claims will be found on the remittance statement beginning with claim date April 1, 2021. All remittance types [Paper/Portable Document Format (PDF)/835] will show a claim that retracts the initial payment, and then a new claim at the new amount. For Paper and PDF remittance receivers, the edit “01999” will appear on the remittance. For electronic remittance (835) receivers, only the normal adjudication Health Insurance Portability and Accountability Act of 1996 (HIPAA) codes will appear. Adjustments can be tracked by the claim dates.

Questions
Medicaid fee-for-service (FFS) Medical Coverage and Policy questions should be directed to the Office of Health Insurance Programs (OHIP), Division of Program Development and Management (DPDM) by phone at (518) 473-2160 or by email at FFSMedicaidPolicy@health.ny.gov.

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New York State Medicaid Policy for Outpatient Services Provided Within 72 Hours (three days) of an Inpatient Admission

The New York State (NYS) Medicaid Program policy mirrors the Centers for Medicare and Medicaid Services (CMS) policy regarding the billing of outpatient services provided within 72 hours (three days) of a hospital inpatient admission.

Pre-Admission Diagnostic and Non-Diagnostic Services
Outpatient diagnostic and non-diagnostic services (including clinical diagnostic laboratory tests, but excluding ambulance services and maintenance renal dialysis services) provided to a member by the admitting hospital, or by an entity wholly owned or wholly operated by the admitting hospital (or by another entity under arrangements with the admitting hospital), within three days prior to and including the date of the member’s admission are deemed to be inpatient services and included in the inpatient payment. This provision applies only to outpatient diagnostic and non-diagnostic services furnished within one day prior to and including the date of the member’s admission to:

- psychiatric hospital/unit,
- inpatient rehabilitation facility/unit,
- long-term acute care hospital,
- children’s hospital, or
- cancer hospital.

The three-day (or one-day) payment window policy does not apply to outpatient diagnostic or non-diagnostic services included in the Rural Health Clinic (RHC) or Federally Qualified Health Center (FQHC) All-Inclusive Rate (AIR). The technical portion of any outpatient diagnostic or non-diagnostic service rendered to a member at a hospital-owned or hospital-operated physician clinic or practice during the payment window is subject to the three-day (or one-day) payment window policy. The three-day (or one-day) payment window policy does not apply when the admitting hospital is a Critical Access Hospital (CAH). Outpatient diagnostic and non-diagnostic services rendered to a member by a CAH, or by an entity that is wholly owned or operated by a CAH during the payment window, must not be bundled on the claim for the member’s inpatient admission to a CAH. However, outpatient diagnostic and non-diagnostic services rendered to a member at a CAH that is wholly owned or operated by a non-CAH hospital, during the payment window, are subject to the three-day (or one-day) payment window policy. Please note: Admissions to skilled nursing facilities, home health agencies, and hospices are excluded from these payment window provisions.
Non-Diagnostic Services Unrelated to Admission
Non-diagnostic preadmission services are considered related to the admission when there is an exact match between the principal diagnosis code assigned for both the preadmission services and the inpatient stay. Outpatient non-diagnostic services provided during the payment window that are unrelated to the admission may be billed separately. Hospitals must maintain documentation in the member’s medical record to support their claim that the preadmission outpatient non-diagnostic services are unrelated to the inpatient admission. If there are both diagnostic and non-diagnostic preadmission services and the non-diagnostic services are unrelated to the admission, the hospital may separately bill the non-diagnostic preadmission services on an outpatient claim. Outpatient claims for nondiagnostic services unrelated to the admission can be billed separately and must use Condition Code 51 (definition “51 - Attestation of Unrelated Outpatient Non-diagnostic Services”).

Questions:
- Medicaid fee-for-service (FFS) coverage and policy questions should be directed to the Office of Health Insurance Programs (OHIP), Division of Program Development and Management (DPDM), by phone at (518) 473-2160 or by email at FFSMedicaidPolicy@health.ny.gov.
- Medicaid Managed Care (MMC) reimbursement, billing, and/or documentation requirement questions should be directed to the enrollee's MMC Plan.
- FFS claim questions should be directed to the eMedNY Call Center at (800) 343-9000.

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Office of the Medicaid Inspector General:
For suspected fraud, waste or abuse complaints/allegations, call 1-877-87FRAUD, (877) 873-7283, or visit Office of Medicaid Inspector General (OMIG) web site at: www.omig.ny.gov.

Provider Manuals/Companion Guides, Enrollment Information/Forms/Training Schedules:
Please visit the eMedNY website at: www.emedny.org.

Providers wishing to listen to the current week’s check/EFT amounts:
Please call (866) 307-5549 (available Thursday PM for one week for the current week’s amount).

For questions about billing and performing MEVS transactions:
Please call the eMedNY Call Center at (800) 343-9000.

Provider Training:
Please enroll online for a provider seminar at: https://www.emedny.org/training/index.aspx. For individual training requests, call (800) 343-9000.

Beneficiary Eligibility:
Call the Touchtone Telephone Verification System at (800) 997-1111.

Medicaid Prescriber Education Program:
For current information on best practices in pharmacotherapy, please visit the following web sites:
- Prescriber Education Program in partnership with SUNY: http://nypep.nysdoh.suny.edu/.

eMedNY
For a number of services, including: change of address, updating an enrollment file due to an ownership change, enrolling another NPI, or revalidating an existing enrollment, please visit the eMedNY Provider Enrollment page at: https://www.emedny.org/info/ProviderEnrollment/index.aspx, and choose the appropriate link based on provider type.

NY Medicaid Electronic Health Record (EHR) Incentive Program
Contact the New York Medicaid EHR Call Center at (877) 646-5410 for assistance.

Comments and Suggestions Regarding This Publication
Please contact the editor, Angela Lince, at medicaidupdate@health.ny.gov.