



**Department
of Health**

Transition (Carve-Out) of Pharmacy Benefit from Managed Care to Fee-For-Service (FFS)

All Stakeholder: Implementation Update

December 21, 2020

Overview

- Medicaid Pharmacy Benefit – Before and After the Carve Out
- Stakeholder Engagement Update
- Key Deliverables and Timeline Update
- Updates
 - Transition & Communication Activities
 - Provider Enrollment Update
- Communication & Resources
- Q&A

Medicaid Pharmacy Benefit – Before and After the Carve Out

Before and After Transition of the NY Medicaid Outpatient Pharmacy Benefit from Managed Care to Fee for Service (FFS)

Before: Outpatient Pharmacy Benefit under Medicaid Managed Care (MMC)



Patients

- Present managed care plan ID card to pharmacies and medical suppliers
- The Plan Identification Number on the ID card is used by the pharmacy to process claims



Prescribers

- Access the MMC plan formulary to guide prescribing
- If applicable, obtain prior authorizations from the MMC plan



Pharmacies & DMEPOS Suppliers

- Transmit claims to the MMC plan or the plan's PBM using the patient's plan identification number.
- Outreach to prescribers and patients to address prescription/claim issues (e.g., prior authorization required)



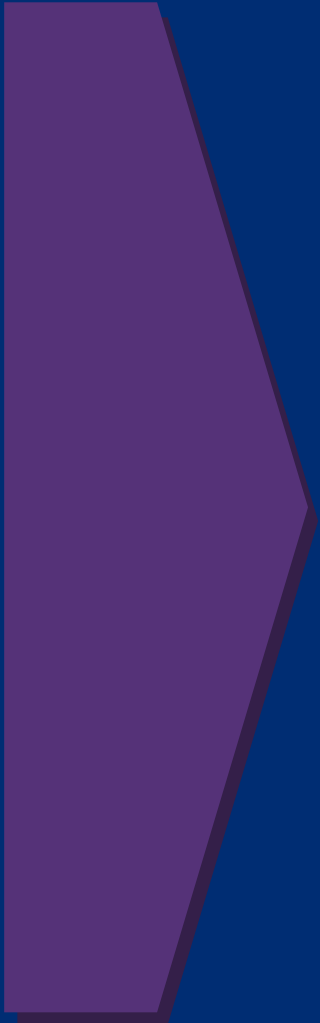
Managed Care Plans

- Administer the pharmacy benefit or contract with a PBM to do the administration



NY State Medicaid

- Provide oversight and policy guidance to MMC plans



After: Outpatient Pharmacy Benefit in Fee for Service (FFS)



Patients

- Present MMC plan ID card OR Medicaid card to pharmacies and medical suppliers – both contain the Client Identification Number (CIN)
- The CIN is used by the pharmacy or medical supplier to process claims



Prescribers

- Access the Medicaid FFS formulary, Preferred Drug List to guide prescribing
- If applicable, obtain prior authorization from the Medicaid FFS program



Pharmacies & DMEPOS Suppliers

- Transmit claims, for products subject to the carve out, to the Medicaid FFS program using the patient's CIN
- Outreach to prescribers and patients to address prescription/claim issues (e.g., prior authorization required)



Managed Care Plans

- Will no longer administer the pharmacy benefit
- Will continue to pay claims for pharmacy services billed on medical and institutional claims (e.g., drugs that are administered by a practitioner)



NY State Medicaid

- Administers the pharmacy benefit, conducts provider enrollment and call center activities
- Pays outpatient pharmacy claims, which includes certain supplies

NY State Activities to Smooth the Transition



16 Medicaid Managed Care Plans

Stakeholder Engagement

- Monthly All Stakeholder Call
- MMC Technical Workgroup
- 340B Advisory Group

Analyze Claims Data to Address Transition Issues & Inform Communications

- Identify providers that are serving MMC members, that are not enrolled in FFS
- Identify drugs/products being used by MMC members that require prior authorization in FFS.



5 Million Members

Communications

- Medicaid Update Articles
- Member notification
- Targeted Notifications to Non-enrolled providers
- Targeted Notifications to Members & Prescribers using non-preferred drugs

Transition Support

- 90-day transition period allows members to obtain one time fills for FFS non-preferred products without prior authorization
- Managed Care Plan Inquiry Process & FFS Directory
- Guidance, resources and templates for MMC plans



Multiple Formularies

Operations

- Accelerate Provider Enrollment Process
- Increase and allocate resources to support FFS volume

Data Access & Sharing

- FFS access to MMC Plan claims allows for bypass of prior authorization when justified by claims history.
- Honor MMC plans' prior authorizations in FFS
- Provide MMC plans with claims data and reports to support post-transition operations (e.g., care management)

Medicaid Fee-For-Service (FFS) Pharmacy Program

- ✓ One *Plan*
- ✓ All Medicaid Members (FFS and Managed Care)
- ✓ One Formulary with Standardized Clinical Criteria

Transition Considerations



Patients

- Read communications from MMC Plans and NY State and access resources (e.g., call centers, web links, pharmacists or prescribers) to get questions answered
 - *Are my drugs covered? Do I need an authorization? Can I keep using my pharmacy?*



Prescribers

- Ensure active enrollment as an Ordering/Prescribing/Referring/Attending (OPRA) provider or transition the member to an OPRA provider
- Read communications from MMC Plans and NY State and access resources as needed
- If necessary, obtain Prior Authorizations and/or access the Medicaid FFS formulary & Preferred Drug List to evaluate whether an alternative medication can be prescribed
- Review FFS prior authorization process for Durable Medicaid Equipment/Supplies that are subject to the Carve Out



Pharmacies & DMEPOS Providers

- Ensure enrollment as a Medicaid FFS biller or work with the member to locate an alternate FFS provider
- Confirm readiness and procedures for Medicaid FFS claims processing and prior authorization requests



Managed Care Plans

- Conduct outreach to providers and members to support transition
- Establish processes to direct outpatient pharmacy inquiries appropriately

Stakeholder Engagement Update

Stakeholder Engagement Update

Purpose:

NYS DOH will lead and provide all interest stakeholders with updates, facilitate a Q&A session, and incorporate feedback into the workplan as needed.

Status:

- Monthly meetings ongoing starting with July 13 session
- Remaining meetings scheduled for third Monday of each month



Monthly

All Stakeholders

Purpose:

NYS DOH is leading working sessions with Medicaid Managed Care Plans (and other subject matter experts as needed) to address transition topics and incorporate feedback into the workplan as needed.

Status:

- 10 sessions completed, covering Roles & Responsibilities, Scope of Benefits, Data Sharing, Transition Strategy, Member & Provider Communication, Value-Based Payments, QARR Measures, Program Integrity, DME Supplies, and Model Contract
- Next session will focus on the Managed Care Plan Inquiry process and standing topics of data sharing, transition & communication activities, and provider enrollment



Bi-weekly

Technical Workgroup

Purpose:

To provide non-binding recommendations by October 1, 2020 regarding the reimbursement of 340B claims.

Status:

- 340B advisory group meetings held on 8/5, 8/26, 9/16.
- The state is finalizing a methodology to distribute the > \$100 Million funding directly to 340B providers and engaging with stakeholders for feedback.



340B Advisory Group

Key Deliverables and Timeline Update

Key Deliverables and Timeline Update

Deliverable(s)	Target Date	
Complete Work Plan and Establish State Transition Team and 340B Advisory Group	June 2020	✓
Recurring Workgroup Calls with Health Plans and All Stakeholders begin	July 2020	✓
Frequently Asked Questions Posted to the NYS DOH Website	August 2020*	✓
Finalize NYS DOH/Managed Care Plan Roles and Scope of Benefits	September 2020	✓
Consensus between the state and plans on data sharing concept	October 2020	✓
Deliver file formats, data dictionary, and process for daily claim file	November 2020	✓
Transition Analysis Conducted (e.g., Formulary, DME, OTC Comparisons), Changes Made To Smooth Transition and Transition Strategy Finalized	November 2020	✓
Identify Sections of the Model Contract that Require Changes	December 2020	✓
Notice of 1115 Waiver Amendment	December 2020	✓

*Initial FAQs posted and will be regularly updated as project progresses

Key Deliverables and Timeline Update

Deliverable(s)	Target Date
Required System Changes Identified	December 2020 ✓
Initial Special Edition Medicaid Update Published	December 2020 ✓
340B Related State Plan Amendment (SPA) Submitted (if necessary)	January 2021
Systems Stress Testing Performed	January 2021
Member and Provider Notifications Sent and Second Special Edition Medicaid Update Published	February 2021
Customer Service Staff Hired and Trained	February 2021
Make Required Changes to Common Benefit Identification Card (CBIC) Carrier or Notice	February 2021
1115 Waiver Amendment and SPA Approved by CMS	March 2021
Required System Changes Implemented	By 4/1
Go Live: Daily Calls with Stakeholders (through 4/30/2021 or Beyond as Needed)	April 2021

Updates

Updates

- [Transition and Communications Activities](#)
- Provider Enrollment

Transition & Communication Activities Updates

Transition & Communication Activities

See [Transition & Communication Activities](#)

Provider Enrollment Updates

Provider Enrollment

- [October 2020 Medicaid Update](#)

Provider Enrollment Article: *Pharmacies, Durable Medical Equipment, Prosthetics, Orthotics and Supply Providers, and Prescribers That are Not Enrolled in Medicaid Fee-for-Service (p. 10)*

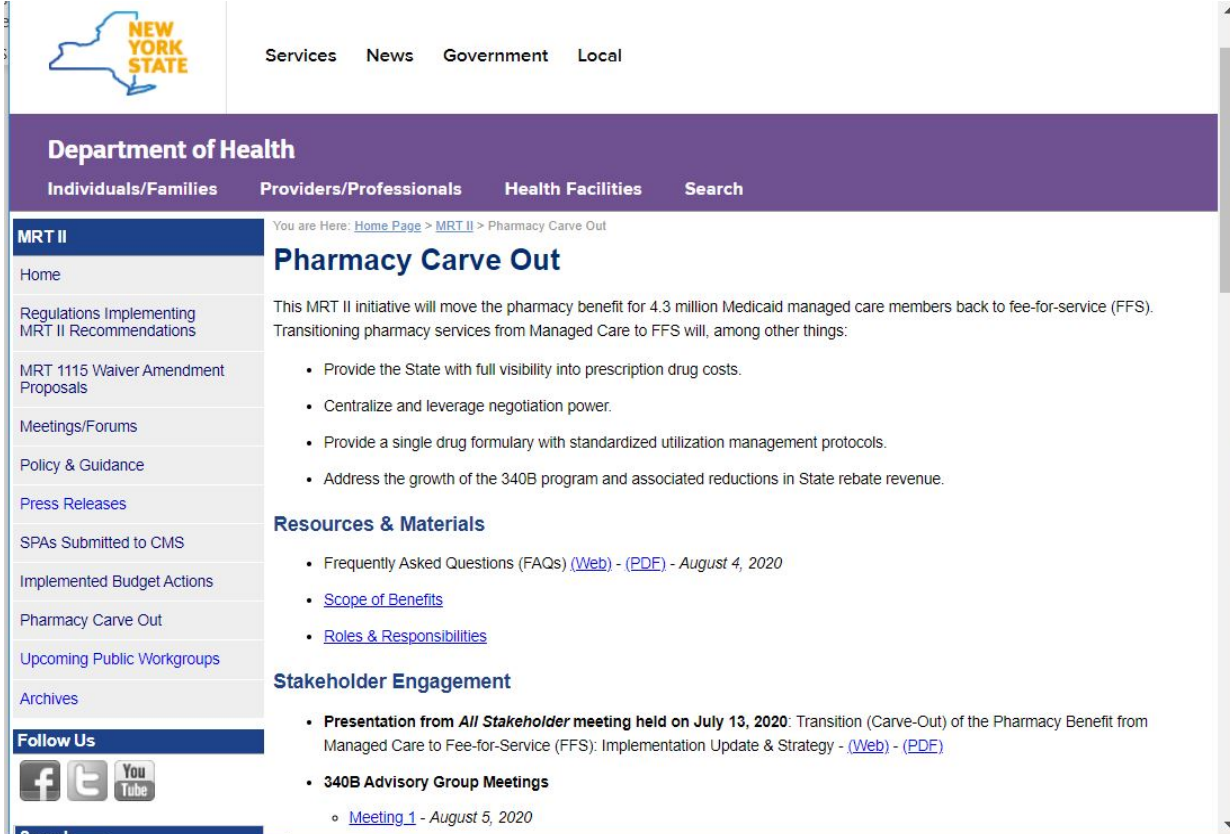
- Medicaid Managed Care plans will outreach to providers not enrolled in the Fee for Service (FFS) program
- State enrollment processes and operations being tuned to support transitional provider enrollment volumes

Communications and Resources



Website Updates

- The following content has been added to the website since the last meeting:
 - [All Stakeholder](#) – November 16 Presentation
 - [FAQ Update](#) – December 4, 2020
 - [Transition & Communication Activities Timeline](#) – December 14, 2020
 - [Member Notice of Change](#) – December 16, 2020
 - [1557 Non-Discrimination and Language Services Template](#) – December 14, 2020
 - [Managed Care Plan Mailing Schedule for Member Notice of Change](#) – December 14, 2020
 - [Special Edition Medicaid Update: Part 1](#) – December 18, 2020
- Website updates will continue to be communicated via the MRT LISTSERV.



The screenshot shows the New York State Department of Health website. The top navigation bar includes "Services", "News", "Government", and "Local". The main header is "Department of Health" with sub-navigation for "Individuals/Families", "Providers/Professionals", "Health Facilities", and "Search". The breadcrumb trail reads "You are Here: [Home Page](#) > [MRT II](#) > Pharmacy Carve Out".

Pharmacy Carve Out

This MRT II initiative will move the pharmacy benefit for 4.3 million Medicaid managed care members back to fee-for-service (FFS). Transitioning pharmacy services from Managed Care to FFS will, among other things:

- Provide the State with full visibility into prescription drug costs.
- Centralize and leverage negotiation power.
- Provide a single drug formulary with standardized utilization management protocols.
- Address the growth of the 340B program and associated reductions in State rebate revenue.

Resources & Materials

- Frequently Asked Questions (FAQs) ([Web](#)) - ([PDF](#)) - August 4, 2020
- [Scope of Benefits](#)
- [Roles & Responsibilities](#)

Stakeholder Engagement

- **Presentation from All Stakeholder meeting held on July 13, 2020:** Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-for-Service (FFS): Implementation Update & Strategy - ([Web](#)) - ([PDF](#))
- **340B Advisory Group Meetings**
 - [Meeting 1](#) - August 5, 2020

The left sidebar contains a "MRT II" menu with links to Home, Regulations Implementing MRT II Recommendations, MRT 1115 Waiver Amendment Proposals, Meetings/Forums, Policy & Guidance, Press Releases, SPAs Submitted to CMS, Implemented Budget Actions, Pharmacy Carve Out, Upcoming Public Workgroups, and Archives. Below the menu are social media icons for Facebook, Twitter, and YouTube.

Resources



Website:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_carve_out/ Information regarding the transition of the pharmacy benefit from Managed Care to FFS will be posted at the above website.



Email: PPNO@health.ny.gov – Please write *Carve-Out* in the subject line



DOH Medicaid Update:

https://www.health.ny.gov/health_care/medicaid/program/update/main.htm



MRT LISTSERV:

https://health.ny.gov/health_care/medicaid/redesign/listserv.htm

Questions?

Please submit your question to All Panelists using the Q&A feature of the WebEx Event meeting.

