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

Frequently Asked Questions (FAQs)

Updated: September 4, 2020
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FAQs

General

FAQ 001 What is the main objective of the carve-out of the pharmacy benefit from Managed Care (MC) to Fee-For-Service (FFS)?

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Transitioning pharmacy services from MC to FFS will, among other things:

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

FAQ 002 Will the carve-out be a phased implementation or implemented all at once?

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It is the intention of NYS DOH is to implement the carve-out all at once, effective April 1, 2021.

FAQ 003 What is the expected savings amount for NY Medicaid as a result of the pharmacy benefit carve-out? Does the $87.3M in State savings include savings from 340B? If so, how is that calculated?

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For the State Fiscal Year (SFY) beginning on April 1, 2021, the estimated state share savings is valued at $87.3 million. The elements of the projected savings in SFY 2021-22, include but are not limited to the following factors:

- Additional federal and state supplemental drug rebates resulting from a shift of drug utilization from the Managed Care (MC) delivery system to the Fee-For-Service (FFS) delivery system under a uniform preferred drug list, which will increase leverage when negotiating with drug manufacturers.
- Reduction of administrative costs and non-claim components of spending, including the costs associated to administrative functions of multiple pharmacy benefits managers used by Managed Care Plans (MCPs) as well as taxes and surplus funded in MC premiums; and
• Savings on 340B drugs from reimbursement of actual acquisition cost, which is the federally required reimbursement for 340B drugs in FFS. The $87.3M in state share savings assumes that approximately 60% of the 340B savings will be realized in the SFY 2021-22.

• In addition, the state share savings projection is based on current FFS reimbursement methodology, which includes $10.08 professional dispensing fee.

FAQ 004 Will rebates increase as a result of the carve-out of the benefit from Managed Care (MC) to Fee-For-Service (FFS)?

Published: August 4, 2020

Yes, NYS DOH anticipates an increase in both federal and state supplemental rebates due to the transition to a single standardized formulary, which will allow the State to optimize federal rebates and increase the State’s leverage to negotiate supplemental rebates with manufacturers.

FAQ 005 Is NYS DOH willing to share risk models that they have developed to evaluate the pharmacy carve-out?

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NYS DOH has assumed a 1.5% risk margin on total Medicaid pharmacy spend to account for the transfer of risk from Managed Care (MC) to Fee-For-Service (FFS) where the State would bear the risk for managing the benefit as well as paying for the new expensive therapies in the pipeline. This risk margin is included in the projected state share savings for State Fiscal Year (SFY) 2021-22.

FAQ 006 Has NYS DOH considered other ways or contingency plans to achieve State savings if the pharmacy benefit carve-out does not achieve anticipated savings?

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NYS DOH believes the transition of the pharmacy benefit from Managed Care (MC) to Fee-For-Service (FFS) is in the best interest of the Medicaid program and Medicaid beneficiaries, and that it will achieve the objectives outlined in FAQ 001. As such, NYS DOH is confident that the pharmacy carve-out will generate savings.
FAQ 037 Has NYS DOH consulted with other states such as California and Michigan for insight regarding their transition of the pharmacy benefit from Managed Care (MC) to Fee-For-Service (FFS)?

**Published:** September 4, 2020

Yes, DOH has consulted for and with several other states, including California and Michigan, regarding their transition of the pharmacy benefit from Managed Care to Fee-For-Service. In addition, DOH participated on a multi-state working group to discuss implementation strategies related to the pharmacy carve out and garnered insight from various states specific to the transition. These conversations and activities have informed and continue to guide DOH’s approach in implementation of the transition.

FAQ 038 How will the transition of the Medicaid pharmacy benefit from Managed Care (MC) to Fee-For-Service (FFS) be communicated to Medicaid Members and Prescribers? Will Managed Care Plans (MCP) and NYS DOH be reaching out to Medicaid Members and Prescribers?

**Published:** September 4, 2020

Communication about the transition of the pharmacy benefit to FFS will be done by both NYS DOH and the MCPs and will be accomplished through a variety of methods including letters and Medicaid Update articles. Additional information regarding these communications and their timing can be found within the Transition and Communications Activities Timeline document.

1115 Medicaid Redesign Team (MRT) Waiver

FAQ 007 What is the 1115 Waiver amendment and how does it affect the pharmacy benefit?

**Published:** August 4, 2020

The New York State’s Medicaid Section 1115 MRT Waiver (formerly known as the Partnership Plan) is the current authority under which the pharmacy benefit is delivered by the Managed Care Plans (MCPs). Since the pharmacy benefit is being transitioned to Fee-for-Service (FFS), the 1115 MRT Waiver must be amended accordingly to support the transition.
FAQ 008 Does the 1115 MRT Waiver amendment need to be approved by CMS in order for the pharmacy benefit to be transitioned from Managed Care (MC) to Fee-For-Service (FFS)? If the pharmacy benefit carve-out is not approved by CMS will the benefit remain as it currently is today under MC?

Published: August 4, 2020

All 1115 Waiver amendments must be approved by CMS. NYS DOH is in active discussions with CMS regarding the 1115 MRT waiver amendment and expects the pharmacy benefit to be transitioned from the MC to FFS effective April 1, 2021.

340B

FAQ 009 Will the 340B Advisory Group be taking community stakeholder input as the group comes up with recommendations? Also, will the three 340B Advisory Group meetings be open to the public?

Published: August 4, 2020

The 340B Advisory Group is comprised of providers who represent communities throughout all regions of the State. It is the responsibility of the 340B Advisory Group members to solicit feedback and recommendations from non-340B Advisory Group members. The meetings are not open to public.

FAQ 010 What were the considerations in forming the 340B Advisory Group and is there representation of NYS school-based health centers?

Published: August 4, 2020

The NYS DOH’s goal in establishing the 340B Advisory Group was to ensure representation from all provider types and geographic regions. Included in group are disproportionate share hospitals which have several sites at school-based health centers and Federally Qualified Health Centers (FQHCs), and therefore, are representative of school-based health centers.

FAQ 011 Who are the members of the 340B Advisory Group?

Published: August 4, 2020

The list of 340B Advisory Group members can be found on slide 8 of the Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-for-Service (FFS): Implementation Update & Strategy presentation.
FAQ 012 How will 340B Hemophilia Treatment Centers be impacted by the pharmacy benefit carve-out?

Published: August 4, 2020

When the pharmacy benefit is transitioned to Fee-For-Service (FFS), Hemophilia Treatment Centers will bill the FFS program for covered drugs and products that are included in the outpatient pharmacy program. This includes outpatient prescription drugs and clotting factor. More detail regarding the drugs and other products that are included in the outpatient pharmacy benefit can be found at the following link.

FAQ 013 What is the role of the 340B Advisory Group and what might they recommend? Will the State cover all 340B claims/medications?

Published: August 4, 2020

The 340B Advisory Group is charged with providing non-binding recommendations by October 1, 2020 on available methods of achieving savings on 340B drugs in the State Fiscal Year (SFY) beginning on April 1, 2021.

There are no preemptive determinations of what may come out of the 340B Advisory Group. Per the enacted statute, NYS DOH will consider recommendations that achieve savings targets and align with federal and state laws.

Drugs covered under the Medicaid Fee-For-Service (FFS) program will not change as a result of the recommendations made by the 340B Advisory Group. In other words, 340B claims and medications will continue to be covered when the benefit is transitioned to FFS, effective April 1, 2021.

FAQ 014 Is there a current 340B formulary? When the pharmacy benefit is transitioned to Fee-For-Service (FFS), will 340B providers be able to bill a “340B claim” to the FFS program for Managed Care (MC) members?

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There is currently no separate 340B formulary. Essentially, the 340B Covered Entity determines whether they will use 340B drugs for Medicaid members. When the pharmacy benefit is transitioned to FFS, MC members will access their pharmacy benefit through the FFS program and providers submitting 340B claims for MC members, will follow Medicaid FFS billing policies for 340B claims.
FAQ 015 Will the Fee-For-Service (FFS) claim submission requirements for 340B drugs (i.e. submitting the UD modifier) change as a result of the pharmacy benefit carve-out?

Published: August 4, 2020

There is no determination yet as to whether there will be changes in the way in which 340B claims will be submitted when the pharmacy benefit is carved out of Managed Care (MC). If there are changes, they will be communicated to providers via a Medicaid Update article.

FAQ 016 Will servicing providers who are prescribing medications for members who are either Medicare or dually eligible be able to use the 340B program for Medicare?

Published: August 4, 2020

The Pharmacy Carve Out from Managed Care (MC) to Fee-For-Service (FFS) will have no impact to providers ability to use the 340B program for Medicare or dually eligible beneficiaries. Information regarding the Health Resources and Services Administration (HRSA) requirements for Covered Entities can be found by accessing the following link.

Information regarding Medicaid FFS 340B claim submission requirements, including submission requirements for dually eligible members can be found at the following link.

FAQ 039 Can context be provided about the disparity of 340B claims being 6-times greater than the same claim billed through Fee-For-Service (FFS)?

Published: September 4, 2020

Assuming that this question is in reference to the appendix slide # 29 from the first 340B Advisory Group meeting – the disparity shown between FFS and Managed Care (MC) is meant only to be an illustrative representation of the significant financial implications of 340B reimbursement in MC and the lost rebates (or cost) to the Medicaid program. As mentioned throughout the presentation, 340B spending and claims growth experienced over the past four years in managed care have directly contributed to the Medicaid program bearing the full cost of high drug prices while losing significant rebates for these drugs, both of which are putting significant pressure on the Medicaid Global Cap.
FAQ 040 Has any consideration been made by NYS DOH to offset the anticipated losses that Federally Qualified Health Centers (FQHCs), 340B entities, and Ryan White recipients are facing due to lost revenue and impending closures as a result of the pharmacy carve-out?

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Yes, the State recognizes that the 340B program is important for many safety net providers, including FQHC’s and Ryan White recipients. This is evident in NYS DOH’s commitment to a multi-year reinvestment of the 340B savings (achieved under the pharmacy carve out) explicitly for Covered Entities in the 340B program. More information on the reinvestment can be found on slide # 11 from the second 340B Advisory Group meeting. The establishment of the 340B advisory group is to provide NYS DOH with recommendations for such reinvestment, while achieving savings on 340B drugs in the State Fiscal Year (SFY) beginning on April 1, 2021.

It is important to note that the pharmacy carve out will not change the ability of a 340B Covered Entity to purchase medications at reduced 340B prices. In addition, the pharmacy carve-out will have no impact to the Covered Entities ability to obtain 340B revenue associated with other payors (e.g., Medicare and Commercial Insurers).

FAQ 041 Where can information be found regarding 340B Advisory Workgroup meeting discussions?

**Published:** September 4, 2020

Presentation copies for 340B Advisory Group meetings are posted on the NYS DOH MRT II Pharmacy Carve-Out website under the "Stakeholder Engagement" section and are organized by date.

FAQ 042 Has NYS DOH reviewed and/or considered alternative 340B models, such as the Texas model?

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Yes, NYS DOH has reviewed and considered several alternative 340B models, including the Texas Shared Savings model. After careful consideration of these models, NYS DOH believes that the pharmacy carve-out, including the reinvestment of 340B savings to Covered Entities, achieves the policy goals that are in the best interest of the Medicaid program and its beneficiaries. These policy goals are outlined in slide # 4 of the August 17th All Stakeholder meeting.
FAQ 043 What actions have been taken or will be taken to inform members of the impact the pharmacy carve-out may have to services they are receiving through 340B programs?

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Medicaid members will be informed of the transition of their pharmacy benefits to Fee-For-Service (FFS) (please refer to FAQ 038). Medicaid members will continue to obtain their medications, regardless of whether 340B drug stock is used to fill their prescriptions. See FAQ 013 and FAQ 040 regarding the charge of the 340B Advisory Group to make recommendations on the multi-year reinvestment of 340B savings that DOH has committed to 340B providers in an effort to preserve these services.

FAQ 044 Has NYS DOH reviewed the negative impact this will have regarding 340B savings being used to make programs whole by paying for items that are not covered by grants?

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Please refer to FAQ 013 and FAQ 040 for more information.

FAQ 045 What sources are used to derive the data and calculations within the 340B Advisory Group meeting presentations?

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All sources are appropriately cited within the footnote of each presentation slide.

Managed Care Plans (MCPs)

FAQ 017 What health plans does the pharmacy carve-out apply to? Will the pharmacy benefit carve-out impact dual eligible members that have Medicaid Advantage and Medicaid? Does the pharmacy carve-out apply to Managed Long-Term Care plans?

Published: August 4, 2020

The Fee-For-Service (FFS) Pharmacy Carve Out does not apply to Managed Long-Term Care plans (e.g., PACE, MAP, MLTC) or the Essential Plan.

The FFS Pharmacy Carve Out applies to all mainstream Managed Care Plans (MCPs), including HARP and HIV-SNP plans. More information can be found on slide 3 of the Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-for-Service
FAQ 018 How will the role of the Managed Care Plans (MCPs) change after the pharmacy benefit is transitioned into Fee-For-Service (FFS)?

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MCPs will continue to be responsible for maintaining all activities necessary for their enrolled members’ care coordination and claims payment for non-outpatient pharmacy services and related activities, consistent with contractual obligations. The MCPs will determine the personnel and resources that they need in order to continue to perform these functions.

Information regarding MCPs and NYS DOH roles can be found at the following [link](#). NYS DOH will work closely with the MCPs to provide access to pharmacy data that is necessary to support the activities for which they are responsible.

FAQ 019 How will the pharmacy carve-out impact Managed Care (MC) rate setting?

Published: August 4, 2020

NYS DOH and its actuary will adjust MC rates to account for the pharmacy benefit being transitioned to the Fee-For-Service (FFS) program. Per federal regulations, all Medicaid MC rates are required to be actuarially sound.

FAQ 020 How will the pharmacy carve-out impact the Value Based Payment (VBP) arrangements that Managed Care Plans (MCPs) currently have with providers?

Published: August 4, 2020

The topic of VBP will be discussed in one of the recurring Technical Workgroup meetings, and the subject matter experts that are needed to address this topic will be included. NYS DOH will work closely with the plans to evaluate how the pharmacy carve-out will impact Value Based Contracts between plans and providers. This will include an assessment of what data and/or other requirements are needed for plans to continue to maintain these arrangements.
FAQ 021 How will Managed Care Plans (MCPs) be impacted by the pharmacy benefit carve-out in relation to HEDIS/QARR measures?

Published: August 4, 2020

The topic of HEDIS/QARR measures will be discussed in one of the recurring Technical Workgroup meetings, and subject matter experts that are needed to address this topic will be included. NYS DOH will work closely with the plans to determine how the pharmacy carve-out impacts HEDIS/QARR measures and whether any changes are needed.

FAQ 022 How will the State transition the current pharmacy related activities that are being done by the Managed Care Plans (MCPs) (e.g. quarterly formulary submissions, claims run out, etc.)?

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The Transition Strategy, which includes the development of a “run out” schedule of certain plan activities will be a topic for one of the recurring Technical Workgroup meetings and subject matter experts that are needed to address this topic will be included. NYS DOH will work closely with the plans to develop a schedule of these activities.

FAQ 046 What updates to “administrative expenses” can Managed Care Plans (MCPs) expect post-pharmacy carve-out to account for data management and care management activities related to pharmacy coverage that will remain with MCPs?

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In accordance with the standard rate development and rate setting process, Manage Care Plans can expect to be provided with updates from the Division of Finance and Rate Setting (DFRS) and the State’s Actuary regarding how the administrative cost portion of the capitated rate will be affected by the pharmacy carve-out. As noted previously in FAQ 019, federal regulations require that all Medicaid MC rates be actuarially sound.

FAQ 047 How will the pharmacy carve-out impact Critical Risk Groups (CRG)/ risk score methodology or weights? Will new CRG rules be released? If so, when?

Published: September 4, 2020

The pharmacy carve-out will not impact the critical risk groups (CRGs) methodology or process. The current risk adjustment methodology utilizes both Managed Care (MC) encounters and Fee-For-Service (FFS) claims as grouper inputs.
FAQ 048 How will the upcoming changes affect medical benefit drugs? Will Managed Care Plans (MCP) set policy for the utilization of medical benefit drugs, or will NYS DOH establish a utilization management policy for the MCPs to follow? Will Managed Care Plans (MCPs) utilize their own formulary or the Fee-For-Service formulary for practitioner-administered drugs that are currently billed to MCPs?

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The carve-out will not change the MCPs responsibility for developing coverage and billing policies for practitioner administered drugs for their members, as referenced in Scope of Benefits document. MCPs will continue to make practitioner administered drugs available when billed as a medical or institutional claim.

Formulary Management and Drug Utilization Review (DUR)

FAQ 023 What formulary will be used when the pharmacy benefit is transitioned to the Fee-For-Service (FFS) program and how will it be updated? Will the State use the current Medicaid Pharmacy FFS reimbursement methodology?

Published: August 4, 2020

When the pharmacy benefit is transitioned to the FFS program, the Medicaid FFS formulary will be used and updated as it is today. Likewise, the FFS Pharmacy reimbursement methodology will be used.

FAQ 024 How will the carve-out impact the way in which the DUR Board is operated?

Published: August 4, 2020

The carve-out will not change the way in which the DUR Board operates. Information regarding the DUR Board can be found at the following link.
FAQ 025 Will the monthly All Stakeholder meeting be sent out the same way as the first meeting? If so, will anyone registered for the July 13 meeting receive an invite for future meetings?

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Yes. Information regarding future stakeholder meetings will be sent out via the MRT LISTSERV.

FAQ 026 Where can I get a copy of the All Stakeholder meeting presentations?

Updated: September 4, 2020

Presentation copies for All Stakeholder meetings are posted on the NYS DOH MRT II Pharmacy Carve-Out website under the “Stakeholder Engagement” section and are organized by date.

FAQ 027 Does NYS DOH foresee any crossover between the 340B Advisory Group and the Technical Workgroup? In order to keep covered entities whole or at least partially whole during the transition will likely require a complicated and/or technical solution.

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To the extent that crossover is needed it can occur between the two groups. NYS DOH has developed the 340B Advisory Group to include representation from all entities involved in the 340B supply chain and Managed Care (MC) delivery system to ensure that members have the technical expertise to work through those issues. There are individuals who will serve/participate in both the 340B Advisory Group and the Technical Workgroup.

FAQ 028 Has NYS DOH considered gathering input from individuals and families to support the carve-out of the Medicaid pharmacy benefit?

Published: August 4, 2020

The All Stakeholder meetings have been established to update stakeholders and to gather input from all stakeholders, including individuals and families, and those that represent them.
**FAQ 029** When will the Technical Workgroup meetings begin? Also, will the Technical Workgroup meetings be open to the public?

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The Technical Workgroup meetings began on July 21, 2020 and will be held bi-weekly thereafter. The meetings are not open to the public.

**FAQ 030** Will Pharmacy Directors for all Managed Care Plans (MCPs) be included in the Technical Workgroup meetings? What organizations are represented in those meetings? How will the agendas for the Technical Workgroups be created and how can MCPs provide input?

Updated: September 4, 2020

The Technical Workgroup is composed of Pharmacy Directors of each Managed Care Plan (MCP). NYS DOH will lead targeted discussions regarding specific topics and issues that require clarification and resolution in order to move the transition forward. MCPs will assist with the development of discussion documents and recommendations.

**FAQ 049** Where can information be found regarding Technical Workgroup meeting discussions?

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Outputs from Technical Workgroups will be posted on the NYS DOH MRT II Pharmacy Carve-Out website once finalized.

**FAQ 050** If I am not a member of the 340B Advisory Group or Technical Workgroup how can I participate in the Pharmacy Carve-Out?

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Stakeholders who are not members of the 340B Advisory Group or Technical Workgroup can participate in the Pharmacy Carve-Out by attending the All Stakeholders meetings. The All Stakeholders meetings began on July 13, 2020 and occur the third Monday of each month. Stakeholders should subscribe to the MRT LISTSERV to receive announcements and registration links for the meetings (typically sent out 1 week in advance of the meeting). Additionally, the MRT LISTSERV is a valuable resource for staying up to date and informed about website updates and resource postings.
FAQ 031 What drugs and supplies are included in the Carve-out?

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The carve-out will include covered outpatient drugs and other products covered under the Outpatient Pharmacy Program. This includes outpatient prescription and over-the-counter drugs, diabetic, incontinence and other supplies. It does not include physician administered (J-Code) drugs. More information regarding what drugs and products are included in the Outpatient Pharmacy Program can be found at the following link.

FAQ 051 Will the pharmacy carve-out Scope of Benefits document be updated as the transition progresses? What will happen beginning 4/1/2021, if managed care member is on a medication that requires prior authorization in the FFS program? Will there be a Prior Authorization (PA) process for certain medications that are subject to the pharmacy carve-out?

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The Scope of Benefits document will be updated and clarified based on stakeholder comments or questions. Information regarding specific outpatient drugs covered by the Medicaid Fee-For-Service (FFS) Pharmacy program, and whether a prior authorization is required can be found on the eMedNY website.

When the pharmacy benefit transitions to FFS, many Managed Care (MC) members will be able to continue taking their medication, without needing prior authorization. Furthermore, there will be a transition period from April 1, 2021 through June 30, 2021. During this period, members will be provided with a one-time, temporary fill for drugs that would normally require prior authorization under the FFS Preferred Drug Program (PDP). This allows additional time for prescribers to either seek prior authorization or change to a preferred drug, which does not require prior authorization.

FAQ 052 Will regular prescriptions such as antibiotics and maintenance drugs still be covered under Managed Care (MC)?

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Outpatient Antibiotics and maintenance medications will be covered under Fee-For-Service (FFS), when billed by a pharmacy. Information regarding specific outpatient drugs covered under the FFS program can be found on the eMedNY website.
FAQ 053 Will Long Acting 2nd generation injectables be covered as a pharmacy benefit when given in a clinic setting?

Published: September 4, 2020

Long Acting 2nd generation antipsychotics, when administered by a physician or other practitioner in a clinic setting and billed on an institutional or medical claim form will continue to be covered by the member’s managed care plan.

FAQ 054 How are Opioid Use Disorder (OUD) and Alcohol Use Disorder (AUD) drugs impacted by the pharmacy carve-out, specifically:

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a. For Opioid Use Disorder (OUD) and Alcohol Use Disorder (AUD) post pharmacy carve-out, can providers continue to prescribe medications that have historically provided the best results for patients? For example, if prior to the pharmacy carve-out a patient was treated with a brand-name medication, can providers continue to prescribe that without a Prior Authorization (PA)?

Outpatient drugs that are used for OUD and AUD are covered under the Medicaid FFS Pharmacy Program and many are included in the Preferred Drug Program (PDP). When the pharmacy benefit transitions to FFS, most managed care members will be able to continue taking their medication, without needing prior authorization. Furthermore, there will be a transition period from April 1, 2021 through June 30, 2021. During this period, members will be provided with a one-time, temporary fill for drugs that would normally require prior authorization under the FFS Preferred Drug Program (PDP). This allows additional time for prescribers to either seek prior authorization or change to a preferred drug, which does not require prior authorization.

b. Alternatively, how will drugs being used off-label be impacted?

The transition of the pharmacy benefit from managed care to FFS does not change Medicaid provisions for off-label use. Drugs included in the Medicaid FFS Pharmacy program are covered when they are used according to Food and Drug Administration (FDA) labeling or for medically supported off-label uses consistent with those identified in any of four official compendia references, or in the peer-reviewed medical literature (journals like the New England Journal of Medicine, Journal of the American Medical Association, etc.).

The official specific references currently identified in the Social Security Act Section 1927(g)(1)(B)(i) are:
(I) American Hospital Formulary Service Drug Information;
(II) United States Pharmacopeia-Drug Information (or its successor publications); and
(III) the DRUGDEX Information System;

c. Is the statute still applicable that all Food and Drug Administration (FDA) approved medications for Opioid Use Disorder (OUD) and Alcohol Use Disorder (AUD) are approved without Prior Authorization (PA)?

See FAQ 054b. b.

**Member Impact**

**FAQ 032** If a member does not have their Medicaid card when at the pharmacy will the prescription be able to be filled with only the Medicaid CIN number?

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Yes, pharmacies can verify enrollment and process prescriptions when members provide their Medicaid CIN (Client Identification Number).

**FAQ 033** To what extent are children and foster care programs affected by the pharmacy carve-out?

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When the pharmacy benefit is transitioned into the Fee-For-Service (FFS) program, children in foster care that are already enrolled in Managed Care Plans (MCPs) will begin to receive their outpatient pharmacy benefit through the FFS program effective April 1, 2021.

Foster care children that transition from FFS into a MCP on or after April 1, 2021 will continue to receive their pharmacy benefit through the FFS program.
FAQ 034 How does the transition of the pharmacy benefit from Managed Care (MC) to the Fee-For-Service (FFS) program affect providers?

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Providers that are prescribing outpatient drugs (or other products covered under the outpatient pharmacy benefit), for Managed Care (MC) members, will access the FFS formulary and the Preferred Drug List to determine coverage parameters. Pharmacies that are billing for outpatient drugs for MC members will submit claims to the eMedNY system.

Fee-For-Service (FFS) Claims Processing & Operations

FAQ 035 What claims adjudication system will be used when the pharmacy benefit is transitioned to the Fee-For-Service (FFS) program? Will claims be captured or reported as in the past or adjudicated as being done by the Managed Care Plans (MCPs)?

Updated: September 4, 2020

When the pharmacy benefit is transitioned to the FFS program, NYS DOH will use the eMedNY system for point-of-sale claims adjudication. This is the claims adjudication system which is currently used for Medicaid members that access all their benefits through the FFS program.

FAQ 036 Will the CoverMyMeds platform still be able to be used for the prior approval process after the pharmacy benefit is transitioned to the Fee-For-Service (FFS) program?

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Yes, the CoverMyMeds platform can be used for the prior approval process after the pharmacy benefit is transitioned to FFS.

FAQ 055 Will NYS DOH implement a process to prevent duplicate billing of the same drug via the pharmacy benefit through Fee-For-Service (FFS) and the medical benefit through Managed Care Plans (MCPs)? For example: Vititrol is available both through the pharmacy and medical benefit.

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NYS DOH will collaborate with the Office of the Medicaid Inspector General (OMIG) to develop processes to evaluate and address potential duplicate claims for drugs that are available through the pharmacy and medical benefit.

**Data Sharing**

**FAQ 056** Can NYS DOH provide context surrounding the data sharing implementation such as a testing plan, frequency of data sharing, data file layout/contents, and if the intention is for the data file to meet HEDIS requirements?

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It is NYS DOH's intent to supply a data claims file to the Managed Care Plans (MCP). Through the Technical Workgroup, NYS DOH is collaborating with MCPs to obtain consensus on the data file that will be created. More information will be made available to the public as it is finalized.