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

Frequently Asked Questions (FAQs)

Updated: January 8, 2021

NEW YORK STATE | Department of Health

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)?

Published: August 4, 2020

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?

Published: August 4, 2020

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 $87.2M in State savings include savings from 340B? If so, how is that calculated?

Updated: October 9, 2020

For the State Fiscal Year (SFY) beginning on April 1, 2021, the estimated state share savings is valued at $87.2 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 $87.2M 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?

Published: August 4, 2020

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?

Published: August 4, 2020

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.

FAQ 061 In the calculated amount $87.2M in State savings as a result of the pharmacy carve-out, did NYS DOH take into consideration an anticipated increase in Medicaid admissions and emergency room (ER) visits?

Published: October 9, 2020

It is conjectured to assume that the pharmacy carve-out will result in increased ER visits and NYS DOH has found no evidence of this in other states that implemented a pharmacy carve out. If this question is referencing the impact of the pharmacy carve-out on the reimbursement of 340B claims, NYS DOH recognizes that 340B revenue associated with Medicaid Managed Care claims is used to provide support services to vulnerable populations and therefore, has committed a multi-year reinvestment to 340B Covered Entities, which includes $102M in SFY 2021-22.

However, if this question is referencing whether the Medicaid Managed Care Plans will continue to have the ability to coordinate activities necessary for their members' care, NYS DOH recognizes the importance of these activities, which will be funded through the administrative portion of capitated managed care premiums. Furthermore, NYS DOH will provide the plans with access to data that is needed to coordinate care.

FAQ 062 As part of the pharmacy carve-out, will NYS DOH engage in exclusive contracts with any particular specialty pharmacy providers or specialty pharmacy provider networks?

Published: October 9, 2020

No, NYS DOH does not intend to engage in exclusive contracts with particular specialty pharmacy providers, as part of the pharmacy carve-out.

FAQ 063 Regarding savings associated with federal and supplemental rebates, what percentage is attributable to enhanced negotiating power vs. capturing federal/statutory rebates that currently benefit 340B programs as manufacturer discounts?

Published: October 9, 2020

The Fee-For-Service (FFS) Carve Out Savings reflects a 6% increase in federal rebates due to the optimization of drug mix changes under the FFS Preferred Drug List (PDL). In addition, the savings reflect a 1% increase in supplemental rebates due to additional negotiating leverage under the National Medicaid Pooling Initiative (NPMI) as well as the Medicaid Drug Cap.

There are no additional savings assumed with capturing federal/statutory rebates from current 340B claims. More information on the calculation of 340B savings can be found on slide # 11 from the second 340B Advisory Group meeting.

FAQ 064 In response to the pharmacy carve-out, how and what is the best way for a company to request or signal interest in negotiating around certain product(s) with NYS DOH?

Published: October 9, 2020

NY State participates in the National Medicaid Pooling Initiative (NMPI) to access supplemental rebates for drugs included in the Preferred Drug Program.

Questions regarding the NMPI bid solicitation may be sent to: NYPDPnotices@magellanhealth.com.

Questions regarding the Preferred Diabetic Supply Program may be submitted via the contact form at: https://newyork.fhsc.com/contactus.asp.

Questions regarding any other products subject to the carve-out may be sent to: NYPDPnotices@magellanhealth.com.

FAQ 095 What is the latest date in which the State can decide to proceed or halt progress of the Pharmacy Carve-Out? Additionally, how will the 1115 Waiver Application impact the Pharmacy Carve-Out timeline if not approved by April 1, 2020?

Published: January 8, 2021

Pharmacy services are already authorized under the State Plan and this authority will apply state-wide starting April 1, 2021. 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 is being amended accordingly to support the transition.

NYS DOH expects the pharmacy benefit to be transitioned from the MC to FFS effective April 1, 2021 per the enacted budget and does not intend to halt the progress.

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, 2020All 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?

Published: August 4, 2020

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?

Published: September 4, 2020

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?

Published: September 4, 2020

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?

Published: September 4, 2020

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?

Published: September 4, 2020

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?

Published: September 4, 2020

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

FAQ 065 Regarding the potential to seek a federal waiver to modify federal rules in Fee-For-Service (FFS) regarding acquisition cost reimbursement would this modification be applicable to only 340B or for all drugs to change the reimbursement rate?

Published: October 9, 2020

The 340B Advisory Group discussed several concepts related to the reinvestment of 340B savings associated with the transition to FFS, one of which was to pursue a Federal Waiver to seek modification of the FFS Reimbursement requirement of acquisition cost plus a professional dispensing fee for 340B eligible claims. This concept has not been submitted to NYS DOH by the 340B Advisory Group, however there was no discussion that changes to FFS reimbursement would apply to non-340B drugs.

FAQ 066 Does NY Medicaid intend to continue to use the State direct supplemental rebate contracting approach, or anticipate a shift to using the Magellan National Medicaid Pooling Initiative (NMPI) for contracting inclusion antiretrovirals used in the treatment of AIDS/HIV?

Published: October 9, 2020

NYS DOH intends to continue to use the NMPI to access supplemental rebates under the Preferred Drug Program. State direct contracts for other programs (e.g. Drug Cap, Ending AIDS rebates) will continue to be utilized. These arrangements are evaluated on an ongoing basis to determine the best contracting method for a particular drug or drug class.

FAQ 067 Has NYS DOH conducted an analysis to measure the impact the pharmacy carve-out will have on agencies providing services to populations with HIV/AIDs? We are concerned that the pharmacy carve-out will result in rising HIV/AIDs infections and deaths?

Published: October 9, 2020

It is conjectured that the carve-out will result in rising HIV/AIDS infections and deaths and there is no such evidence of this occurring in other states that have moved from a “carve-in” to “carve out” model. If this question is referencing the impact of the pharmacy carve-out on the reimbursement of 340B claims, NYS DOH recognizes that 340B revenue associated with Medicaid Managed Care claims is used to administer medication adherence programs for vulnerable populations. This is demonstrated by its commitment to a multi-year reinvestment of the 340B savings to the Covered Entities, which includes $102M in SFY 2021-22.

FAQ 068 Has NYS DOH researched the anticipated impact that the pharmacy carve-out will have on agencies that are providing support and services to populations who struggle to get access to medications due to social determinants of health?

Published: October 9, 2020

If this question is referencing the impact of the pharmacy carve-out on the reimbursement of 340B claims, the NYS DOH recognizes that 340B revenue associated with Medicaid managed care claims is used to provide support services to populations who struggle to get access to medications due to social determinants of health. This is demonstrated by its commitment to a multi-year reinvestment of the 340B savings to the Covered Entities, which includes $102M in SFY 2021-22.

FAQ 079 Can NYS DOH provide an estimated percentage of cuts that agencies can expect or plan for in their budgets as a result of the Pharmacy Carve-Out?

Published: November 5, 2020

NYS DOH has provided the expected reduction in 340B spending as well as the 340B reinvestment, which are both assumed as part of the Pharmacy Carve Out. The 340B Advisory Group was charged with proposing recommendations as to how the 340B reinvestment ($102M) would be distributed, which would inform agencies as to the expected reduction of 340B revenue, however the Advisory Group has yet to propose any recommendations to date.

Given that the 340B Advisory Group has not submitted any formal recommendations, NYS DOH will propose a distribution methodology that describes how the $102M could flow directly to Covered Entities and solicit feedback from the Advisory Group.

FAQ 080 NYS DOH has committed to a multi-year reinvestment to 340B Covered Entities, which includes $102M in SFY 2021-22. Does NYS DOH intend to dedicate the $102M in reinvestment per year for each of the first three years of the Pharmacy Carve-Out implementation or does NYS DOH intend to phase down the reinvestment over the three-year period?

Published: November 5, 2020

More information on the reinvestment can be found on slide # 11 from the second 340B Advisory Group meeting.

FAQ 081 Has NYS DOH evaluated or defined what will happen to 340B Covered Entities beyond the NYS DOH multi-year reinvestment?

Published: November 5, 2020

NYS DOH is not clear about the intent behind this question and it is not the regulatory body for 340B Covered Entities. However, it should be noted that 340B Covered Entities have been well established for many years, including prior to October 2011, when the pharmacy benefit was moved into managed care. NYS DOH has no evidence that the pharmacy carve out will result in any particular outcome for 340B entities and anticipates that the total number of 340B Covered Entities in New York State will remain the same.

FAQ 082 Will the Pharmacy Carve-Out result in moving contracted pharmacies out of clinics? If so, how will patient access be impacted?

Published: November 5, 2020

No, the Pharmacy Carve Out will not result in moving contracted pharmacies out of clinics. Such decisions are left to 340B Covered Entities. If a clinic makes the decision to move their contracted pharmacies out of their clinics, patients will continue to have access to needed medications at another FFS pharmacy. If a Covered Entity does choose to move their contracted pharmacy out of their clinics, NYS DOH would not anticipate any negative impacts to Medicaid members accessing their medications.

FAQ 096 What criteria is being used for the methodology the > $100 million in funding directly to 340B providers?

Published: January 8, 2021

NYS DOH is developing a methodology that first, attributes all Medicaid Managed Care members to each 340B provider, and then subsequently links the 340B drug spend of those attributed Medicaid Managed Care members to each 340B provider.

340B providers would then receive their pro-rata share of the available funding ($102M) based on two criteria: (i) the most recent year of 340B drug spend in Managed Care and (ii) the volume of Medicaid members served.

FAQ 097 What was the final recommendation that resulted from the 340B Advisory Group?

Published: January 8, 2021

The 340B Advisory Group was charged with providing recommendations as to how the 340B reinvestment, however the Advisory Group has not proposed any formal recommendations to NYS DOH for consideration.

As such, NYS DOH will propose a distribution methodology that allocates the $102M directly to Covered Entities and solicit feedback from providers and the Advisory Group.

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 Medicare Advantage and Medicaid? Does the pharmacy carve-out apply to Managed Long-Term Care plans? Does the pharmacy carve-out apply to CHP?

Updated: October 9, 2020

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

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 (FFS): Implementation Update & Strategy presentation.

FAQ 018 How will the role of the Managed Care Plans (MCPs) change after the pharmacy benefit is transitioned into Fee-For-Service (FFS)?

Published: August 4, 2020

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.)?

Published: August 4, 2020

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?

Published: September 4, 2020

In accordance with the standard rate development and rate setting process, Managed 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 addressed 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?

Published: September 4, 2020

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.

FAQ 069 How will the Restricted Recipient Program (RRP) be impacted by the pharmacy carve-out? Will the RRP be transitioned to the Fee-For-Service (FFS) program or will Managed Care Plans (MCPs) receive modified procedures to accommodate the bifurcation of the medical and pharmacy benefit?

Published: October 9, 2020

NYS DOH and the Office of the Medicaid Inspector General (OMIG) will work with the MCPs to develop and implement modified procedures that support the Restricted Recipient Program.

FAQ 070 Will pharmacy data be counted as administrative or supplemental data for use of QARR reporting after the pharmacy carve-out?

Published: October 9, 2020

The pharmacy data file that will be sent from NYS DOH would be considered administrative data for use of QARR reporting. NCQA will consider it as encounter data for the purposes of reporting. Please note that the data file is currently undergoing design through collaboration with the Managed Care Plans (MCPs).

FAQ 071 Regarding an NCQA audit response, prior to the carve-out Managed Care Plans (MCPs) were asked to provide the record of medication dispensing as part of HEDIS and QARR reporting. Would MCPs still be expected to provide that information even though the plan did not pay for the survey?

Published: October 9, 2020

The MCP should inquire with the NCQA health plan auditor requesting that information.

FAQ 074 How will Durable Medical Equipment (DME) supplies with approved authorization be impacted after April 1, 2021? Will Managed Care Plans (MCPs) be required to send a notice advising the member that the rental is stopped as a result of it being a Fee-For-Service (FFS) item?

Published: October 23, 2020

DME supplies found within the Durable Medical Equipment, Prosthetics, Orthotics, Supplies and Procedure Codes and Coverage Guidelines will remain the responsibility of the MCPs and therefore should not be impacted for discontinuation of a Prior Authorization (PA) or

rental with respect to the pharmacy carve-out. More guidance will be forthcoming regarding DME supplies found within the Pharmacy Procedures & Supply Codes as review and analysis is in progress.

FAQ 090 Following the Pharmacy Carve-Out it is anticipated that the pen needle and syringe product class will not be controlled by NY Medicaid. As a result of this, would the Managed Care Plans (MCPs) still be able to implement their own controls/contracts in this category (since they typically cover it under pharmacy)?

Published: December 4, 2020

Syringes and needles are subject to the Pharmacy Carve-Out and therefore will be covered under the Medicaid Fee-For-Service (FFS) Program. More information regarding needles and syringe products can be found on page 17 within Section 4.2 Enteral And Parenteral Therapy of the Pharmacy Procedures & Supply Codes manual.

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 083 Is NYS DOH actively negotiating with companies that have product(s) with a large percentage of claims within Medicaid Managed Care (MC) but not Fee-For-Service (FFS)? Likewise, is NYS DOH evaluating potential products to add to the FFS formulary that have a large number of claims in Medicaid MC and the product is non-preferred in FFS?

Published: November 5, 2020

NYS DOH has a standard process that is utilized for the Medicaid FFS Program to collect bids from manufacturers under the Preferred Drug Program (PDP,) as well as the Preferred Diabetic Supply Program (PDSP). It is the intent of NYS DOH to continue to

utilize that process consistently with how it has been handled in FFS.

As referenced in the October 19th All Stakeholder Presentation, NYS DOH analyzed managed care claims by program area to inform transition strategy. Slides 12 &13 of this presentation provide details regarding this analysis and the transition strategy that will be used to ensure continued access to medications.

Stakeholder Engagement

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?

Published: August 4, 2020

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.

Published: August 4, 2020

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?

Published: August 4, 2020

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?

Published: September 4, 2020

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?

Published: September 4, 2020

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 084 I subscribed to the MRT LISTSERV but have not received any messages. How can I ensure I am signed-up to receive messages?

Published: November 5, 2020

If you are experiencing issues with receiving MRT LISTSERV messages or subscribing, please contact mrtupdates@health.ny.gov for assistance. The MRT Team will be able to verify your subscription or manually subscribe you.

Scope of Benefits

FAQ 031 What drugs and supplies are included in the Carve-out?

Published: August 4, 2020

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?

Published: September 4, 2020

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)?

Published: September 4, 2020

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:

Published: September 4, 2020

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, above.

FAQ 057 How will the pharmacy carve-out impact Durable Medical Equipment (DME) specifically fulfilled by home delivery suppliers or fulfilled at the pharmacy?

Updated: October 23, 2020

Only pharmacy supply and procedure codes are subject to the pharmacy carve-out unless otherwise stated within the Pharmacy Carve-Out Scope of Benefits. Pharmacy billing guidance and a list of supply codes for pharmacies and DME suppliers can be found here. DME billing guidance can be found here.

FAQ 058 How will the pharmacy carve-out impact mastectomy supplies such as wigs, etc.?

Updated: October 23, 2020

Mastectomy care is subject to the pharmacy carve-out and will therefore be covered under the Medicaid Fee-For-Service (FFS) program. Breast and hair prosthesis will be the responsibility of the Managed Care Plans (MCPs). For more information, please review the Pharmacy Supply and Procedure Manual and the Pharmacy Carve-Out Scope of Benefits.

FAQ 059 Can NYS DOH please explain how diabetic supplies will be impacted after the carve-out of the Medicaid pharmacy benefit to Fee-For-Service (FFS) is complete specifically related to the following:

a. Will NYS DOH be using NDC or HCPCS codes for Insulin Pumps (including external ambulatory infusion pumps), Insulin Pump Supplies and Integrated Continuous Glucose Monitoring (CGM)?

b. How will insulin pumps, pump supplies and integrated CGM be authorized? Will NYS DOH review each submitted request?

Updated: December 4, 2020

a. Diabetic supplies found on the NYS Medicaid Preferred Diabetic Supply Program (PDSP) List should be billed via an NDC. If the product is not on the PDSP list, then it should be billed via a HCPCS code. Further clarity is provided below:
   1. Disposable insulin pumps should be billed via an NDC as a pharmacy claim to FFS.
   2. Insulin pump supplies should be billed via a HCPCS code as either a pharmacy claim or medical claim to FFS.
   3. Preferred CGMs should be billed via an NDC as a pharmacy claim to FFS.
   4. Non-preferred CGMs should be billed via a HCPCS code as a medical claim to FFS.
   5. Non-disposable insulin pumps and integrated CGM/insulin pumps (i.e. external ambulatory infusion pumps, insulin) remain the responsibility of the Managed Care Plans (MCPs) as defined within the Pharmacy Carve-Out Scope of Benefits.

b. CGMs and disposable insulin pumps will be authorized if they meet program criteria. Products that do not meet program criteria will be manually reviewed. For more information please refer to the following resources:
    - Changes for Approval of Continuous Glucose Monitoring and Insulin pumps for Individuals with Type 1 Diabetes
    - Reimbursement of Continuous Glucose Monitoring for Individuals with Type 1 Diabetes

FAQ 072 Vivitrol (extended-release naltrexone for injectable suspension), a provider administered medication, is listed on the PDL and is currently covered under the pharmacy benefit. This product is affected by the SUPPORT Act, legislation mandating that Medicaid will be required to cover all products considered Medication Assisted Therapy (Vivitrol is indicated for the prevention of relapse to opioid disorder). Will Vivitrol be included in the carve-out even though it is a physician-administered drug or will managed care plans continue to cover it?

Published: October 9, 2020

Vivitrol is subject to the carve-out and will be covered under the Fee-For-Service (FFS) pharmacy benefit. Managed Care Plans (MCPs) will continue to be responsible to cover Vivitrol for their members when it is billed as a medical or institutional claim.

FAQ 075 How are DME code E0784 insulin pumps impacted by the pharmacy carve-out?

Published: October 23, 2020

External ambulatory infusion pumps for insulin are not part of the pharmacy carve-out and will remain the responsibility of the Managed Care Plans (MCPs). More information can be found within Appendix A of the Pharmacy Scope of Benefits.

FAQ 076 Regarding the following Durable Medical Equipment (DME) categories such as: diabetes, ostomy, incontinence, etc.:

a. How will the pharmacy carve-out impact the above mentioned categories? Will products within these categories be covered under Fee-For-Service?

b. After the carve-out how should DME products in the above mentioned categories be billed? Ex: via pharmacy, DME, or both?

Published: October 23, 2020

a. These products fall within the Pharmacy Procedures and Supply Codes Manual and are subject to the pharmacy carve-out and will be covered under Medicaid Fee-For-Service (FFS).
b. After the carve-out, these supplies may be billed via the pharmacy NCPDP format or via the medical claim format. Information regarding pharmacy billing guidance and a list of supply codes for pharmacies and DME suppliers can be found here. Information regarding DME billing guidance can be found here.

FAQ 077 What Durable Medical Equipment (DME) products are not covered after the pharmacy carve-out effective April 1, 2021?

Published: October 23, 2020

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies not found within in the Pharmacy Procedures and Supplies Manual are not subject to the carve-out and will remain the responsibility of the Managed Care Plans (MCPs). For more information, refer to Appendix A of the Pharmacy Carve-Out Scope of Benefits.

FAQ 078 Will continuous glucose monitoring (CGM) devices be able to be filled under a member's medical benefit or only pharmacy benefit?

Published: October 23, 2020

Preferred CGM devices should be billed via the Medicaid Fee-For-Service (FFS) Pharmacy Benefit and are subject to the Preferred Diabetic Supply Program (PDSP) list. Information regarding pharmacy billing guidance and a list of supply codes for pharmacies and DME suppliers can be found here.

Non-Preferred CGM devices should be billed under the medical benefit. Information regarding DME billing guidance can be found here.

FAQ 085 The Fee-For-Service (FFS) formulary list does not contain the same oncology medications covered by Managed Care Plans (MCPs) today. How will NYS DOH mitigate potential issues that arise from these gaps in covered medications?

Published: November 5, 2020

NYS DOH is evaluating MCP pharmacy claim encounters to determine potential differences in coverage for medications. The New York State Medicaid Pharmacy program covers medically necessary FDA approved prescription and select non-prescription drugs for Medicaid FFS members based on program rules. NYS DOH is evaluating MCP pharmacy claim encounters to determine potential differences in coverage areas for medications.

Oncology medications that are typically administered by practitioners may not be on the Medicaid FFS formulary as they are not considered part of the pharmacy benefit. However, they are still a covered Medicaid benefit. MCPs will continue to make practitioner administered oncology medications available when they are billed as a medical or institutional claim.
If Durable Medical Equipment (DME) supplies found within the Pharmacy Procedure and Supply Codes manual that are billed as a medical claim subject to the Pharmacy Carve-Out?

FAQ 091 Will Durable Medical Equipment (DME) supplies found within the Pharmacy Procedure and Supply Codes manual that are billed as a medical claim be subject to the Pharmacy Carve-Out?

Published: December 4, 2020

Yes, the Pharmacy Procedures & Supply Codes manual contains products that are subject to the carve-out, which will be able to be billed as either a pharmacy claim via NCPDP or billed as a medical claim through Fee-For-Service (FFS). After the carve-out, these supplies would no longer be billed to the Managed Care Plan (MCP).

FAQ 098 Will all prior authorization (PAs) approvals issued prior to April 1, 2021 be honored after the Carve-Out (effective April 1, 2021)?

Published: January 8, 2021

Prior Authorizations issued by Medicaid Managed Care (MMC) plans prior to April 1, 2021 (that are active/valid after April 1, 2021) will be honored by the Fee-For-Service (FFS) program. This includes clinical PAs that also require authorization under the Medicaid FFS Pharmacy program.

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?

Published: August 4, 2020

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?

Published: August 4, 2020

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 086 Will there be a designated specialty pharmacy to deliver physician administered drugs to the provider's office or can the Medicaid Managed Care (MC) member go to a pharmacy, including retail, enrolled in the Medicaid Fee-For-Service (FFS) Program to receive them?

Published: November 5, 2020

There will not be designated specialty pharmacies within the Medicaid FFS Program nor are there any presently. Members will be able to access any FFS pharmacy for drugs that are on the outpatient FFS formulary. NYS DOH is reviewing the physician administered drugs and may add some of those drugs to the outpatient FFS formulary. Lastly, NYS DOH is working closely with the Managed Care Plans to ensure that they (MCPs) will be able to provide members continued access to those drugs.

FAQ 087 After the Pharmacy Carve-Out, who should a member contact with questions or complaints associated with the Durable Medical Equipment (DME) supplies (i.e. brand, quality, timeliness, etc.) or denials?

Published: November 5, 2020

After 4/1/2021, members and providers with questions or complaints associated with DME/supplies subject to the carve-out, should contact 800-342-3005 or ohipmedpa@health.ny.gov.

FAQ 099 After the Carve-Out, what will the patient-pharmacy experience be like for members transitioning their outpatient pharmacy benefit from Managed Care (MC) to Fee-For-Service (FFS)?

Published: January 8, 2021

Starting on April 1, 2021, Medicaid Managed Care (MMC) members should present either their MMC plan or Medicaid Identification Card to their pharmacist and remind him/her about the transition to Medicaid FFS. Both cards contain the Client Identification Number (CIN), which the pharmacist uses to submit their claims to the Medicaid FFS program. For most members, there will be no change at the pharmacy counter.

Members should review the letter notifying them of the change, to be sure that their pharmacy takes Medicaid FFS (most pharmacies do), and that their drugs are covered. Refer to FAQ 051 and FAQ 098 for information regarding the transition period and prior authorizations previously granted by MMC plans. The PowerPoint presentation (slides 4-6), from the December 22nd All Stakeholder Meeting provides information regarding what members can expect.

FAQ 100 How can patients verify if their current pharmacy is enrolled in Fee-For-Service (FFS) or locate a pharmacy that is enrolled in FFS?

Published: January 8, 2021

Patients will be able to verify if their current pharmacy is enrolled by accessing the eMedNY website. The resource will be accessible at the following location: https://www.emedny.org/member . Please note, the link to this tool is not yet active. It is anticipated to be active in early February 2021.

Provider Impact

FAQ 034 How does the transition of the pharmacy benefit from Managed Care (MC) to Fee-For-Service (FFS) program affect providers?

Published: August 4, 2020

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.

FAQ 092 Generic medications come in various prices. Sometimes pharmacies pay less than what the insurance is paying us (profit) and sometimes pharmacies pay more (loss). After the carve-out, how will the price for a generic drug be determined?

Published: December 4, 2020

Covered generic medications will be paid in accordance with the Medicaid Pharmacy Fee-For-Service Pharmacy Reimbursement methodology.

FAQ 093 What is the exact amount that pharmacies will get paid to fill a Medicaid prescription after the carve-out? Currently, certain medications where this applies in the case of direct Medicaid patients have varied but have been capped at approximately $10?

Published: December 4, 2020

Information regarding pharmacy reimbursement can be found within the Medicaid Pharmacy Fee-For-Service Pharmacy Reimbursement methodology.

FAQ 094 Will the pharmacy carve-out provide an opportunity for mail-order pharmacy suppliers to obtain a NYS Medicaid Pharmacy license? In the past these licenses have been denied to mail-order suppliers.

Published: December 4, 2020

Pharmacies (mail order and non-mail order) that are currently serving Medicaid Managed Care members, but are not enrolled in the Medicaid FFS program, may submit their applications to the FFS program. The Department of Health will consider the number of Medicaid managed care members and claims currently being handled by pharmacy applicants.

Information for submitting applications can be found on page 10 within the October 2020 Medicaid Update Article entitled *Attention: Pharmacies, Durable Medical Equipment, Prosthetics, Orthotics and Supply Providers, and Prescribers That are Not Enrolled in Medicaid Fee-for-Service.*

FAQ 101 How will the Carve-Out impact medical suppliers who drop-ship supplies directly to patients and bill Managed Care (MC) today? After the Carve-Out, what will be the impact to these companies in terms of billing? Will these companies still be able to drop-ship and bill Fee-For-Service?

Published: January 8, 2021

Delivery directly to a member's home is allowed under the *Guidelines for the Delivery of Medical/Surgical Supplies and Durable Medical Equipment* (pg.19) within the Durable Medical Equipment Manual Policy Guidelines. The guidelines specify the types of supplies that may be delivered, documentation required to be retained by the billing provider, and

requirements and responsibility of the billing provider for lost or misdirected shipments. Revised Guidelines will be available with the next Manual Update.

FAQ 102 How will Durable Medical Equipment (DME) supply companies who serve Medicaid Members, but bill Managed Long Term Care (MLTC) be impacted by the Carve-Out? Will all MLTC patients need to transition to Fee- For-Service? Will MLTC no longer be paying for supplies?

Published: January 8, 2021

MLTC Plans are not impacted by the Pharmacy Carve-Out. See FAQ 017 .

FAQ 103 How will the Carve-Out impact the daily operations of Pharmacies? For example, if a member has Medicaid Managed Care (MMC) such as Fidelis or HealthFirst, how will our pharmacy submit claims for these members beginning April 1, 2021?

Published: January 8, 2021

Starting April 1, 2021, pharmacies will submit claims to the Medicaid Fee-For-Service (FFS) program, using the Client Identification Number (CIN), which can be found on the member's Medicaid or the MMC plan Identification Card. Additional information regarding FFS claim submission can be found within the December 2020 Special Edition Medicaid Update.

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?

Published: August 4, 2020

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: Vivitrol is available both through the pharmacy and medical benefit.

Published: September 4, 2020

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.

FAQ 060 As a result of the pharmacy carve-out, will the 5-limit refill on medications be imposed? If so, will this exclude contraceptives?

Published: September 18, 2020

NYS DOH is evaluating this regulation for possible changes. Contraceptives will continue to be available for a one-year supply, per the November 2019 Medicaid Update Article, providing that the prescriber writes the prescription for a one-year supply.

FAQ 088 Will medical supply companies who do not have NYS Medicaid Pharmacy licenses be able to bill the member's DME benefit for the respective product categories?

Published: November 5, 2020

Medical supply companies enrolled in Medicaid Fee-For-Service (FFS) as a Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) provider can bill pharmacy supplies and procedures subject to the pharmacy carve-out.

FAQ 089 Is NYS DOH prepared to handle the influx of Durable Medical Equipment (DME) claims from medical suppliers?

Published: November 5, 2020

Yes. There is a plan in place for NYS DOH systems and call centers to have the capability to manage the increased volume of claims and inquiries regarding DME/Supplies subject to the carveout.

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?

Published: September 4, 2020

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.

FAQ 073 How will the pharmacy carve-out impact the visibility of

Managed Care Plans (MCPs) to member pharmacy claims? Will MCPs still have access to data on the member level?

Published: October 9, 2020

The NYS DOH will supply a 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 and data elements (e.g. member information) that are needed.

FAQ 104 How frequently will NYS DOH provide Managed Care Plans (MCPs) with pharmacy utilization data after the Carve-Out?

Published: January 8, 2021

Claims utilization data will be provided to the Medicaid Managed Care Plans daily, for the previous day's activity.