



Department  
of Health

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

All Stakeholder: Implementation Update

February 26, 2021

# Overview

- Stakeholder Engagement Update
- Key Deliverables and Timeline Update
- Updates
  - Communication Strategy
  - Provider Enrollment Update
  - Data Sharing Updates
- Communication & Resources
- Q&A

# Stakeholder Engagement Update

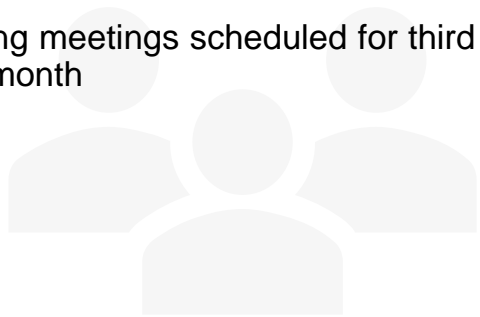
# Stakeholder Engagement Update

## Purpose:

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

## Status:

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



## Purpose:

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

## Status:

- Topics covered include Roles & Responsibilities, Scope of Benefits, Data Sharing, Transition Strategy, Member & Provider Communication, Value-Based Payments, QARR Measures, Program Integrity, DME Supplies, and Model Contract, Managed Care Inquiry Process, Physician-Dispensed Drugs, Non-Enrolled Providers
- Will continue to focus on data sharing, transition & communication activities, provider enrollment and focus topic as needed

## Purpose:

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

## Status:

- 340B advisory group meetings held on 8/5, 8/26, 9/16.
- The proposed SFY 2021-22 Executive Budget establishes a 340B Reimbursement Fund to offset losses to 340B entities as a result of the pharmacy carve out. Eligible 340B providers -- which has been expanded in the 30-day budget amendments to include additional Ryan White providers who were not eligible under the executive budget language -- will receive a proportionate distribution from a methodology that considers each providers 340B revenue and volume of Medicaid members served. Annual distributions at the amount of \$102 million will occur for the upcoming fiscal year and continue for each fiscal year thereafter.

All Stakeholders



Monthly

Technical Workgroup



Bi-Weekly

340B Advisory Group



# Key Deliverables and Timeline Update

# Key Deliverables and Timeline Update

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

Implementation Date Update: Moved from 4/1/21 to 5/1/21  
 ...stay tuned to LISTSERV for updates to website contents...

# Key Deliverables and Timeline Update

Deliverable(s)	Target Date
Required System Changes Identified	December 2020 ✓
Initial Special Edition Medicaid Update Published	December 2020 ✓
Systems Stress Testing Performed to Verify Volume Handling	January 2021 ✓
Customer Service Staff Hired and Trained	February 2021
340B Reimbursement Fund State Plan Amendment (SPA) Submitted	March 2021
Member Notice of Change and Non-Enrolled Provider Notifications Sent	March 2021
Second Special Edition Medicaid Update Published	March 2021
1115 Waiver Amendment Approved by CMS	March 2021
Make Required Changes to Common Benefit Identification Card (CBIC) Carrier or Notice	April 2021
Required System Changes Implemented	By 5/1
Go Live: Daily Calls with Stakeholders (through 5/30/2021 or Beyond as Needed)	May 2021

Implementation Date Update: Moved from 4/1/21 to 5/1/21  
 ...stay tuned to LISTSERV for updates to website contents...

# Updates



# Updates

- Communication Strategy
- Provider Enrollment
- Data Sharing

# Communication Strategy

# Transition & Communication Activities

## Outreach Strategy Update

### General Member Notice of Change

Notify **members** that their pharmacy benefits will shift from Managed Care Plans to NYS Medicaid Fee-for-Service and provide them with relevant information about the program (**MCPs**)

### Non-Preferred Products

1. Provide high-volume non-preferred product **prescribers** with general information regarding the Medicaid FFS preferred drug program (**NYS**)
2. Provide targeted product-specific information to **prescribers** of non-preferred products so they can support patients in transitioning appropriate products (**NYS**)

### Non-Enrolled Providers\*

Pharmacies, DMEPOS Suppliers, Prescribers

1. Provide targeted information to **providers** now serving managed care members who are not now enrolled in FFS of options to enroll or transition members (**NYS** and **MCPs**)
2. Provide targeted notification to **members** using pharmacies and DMEPOS suppliers who have not enrolled in FFS so they can transition to new providers (**MCPs**)

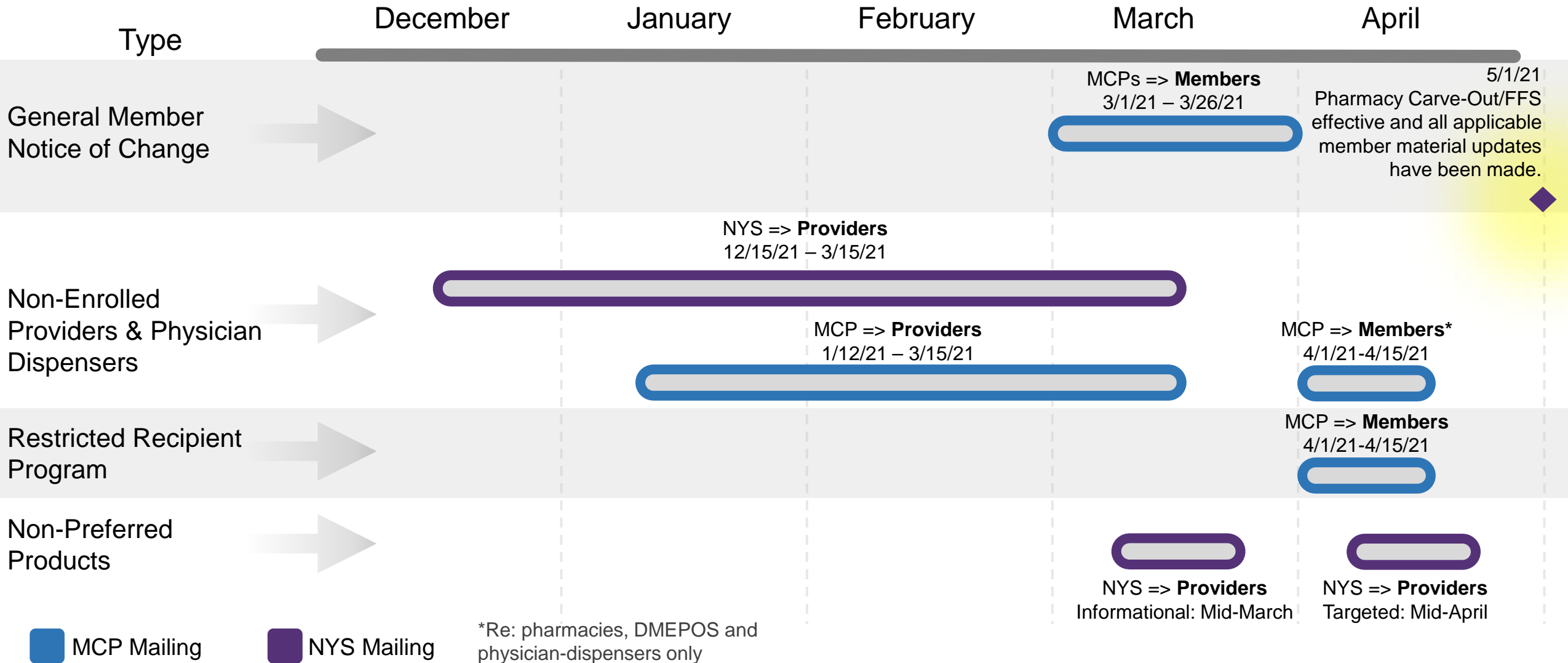
\*We will also conduct similar outreach following this approach for physician-dispensers of ineligible drugs

### Restricted Recipients

Inform **members** that there are no changes to lengths of restrictions, and provide relevant plan and state contact information (**MCPs**)

# Timeline Update

Updated Implementation Date: May 1, 2021



# Provider Enrollment

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## Implementation Strategy

### Pharmacy Enrollment Policy Changes

- Bordering States May Enroll
- Out of state (non-bordering) pharmacies serving 10 or more Medicaid Managed Care members in the year prior to 5/1/21 may enroll
- Unmet Need
- Provisional/Fast Track Enrollment Process



### Prescribers:

- Claims will continue to pay, after 5/1/21 for non-enrolled prescribers.
- Prescribers should enroll if they want to continue to serve Medicaid members after 7/31/21.
- Provisional/Fast Track Enrollment Process may be used for Physicians, Nurse Practitioners and Physician Assistants, but they will need to fully enroll at the end of the COVID-19 emergency.



### DMEPOS Enrollment Policy Changes

- Out of State brick and mortar locations if servicing members in the common NY marketing area
- Manufacturer and out of state suppliers under limited circumstances



### Physician Dispensing

- Policy Aligns with Education Law
- Information regarding how to sign up as a physician dispenser is forthcoming



## Notes

- ✓ 97% of Medicaid Managed Care Member are using Medicaid FFS pharmacies.
- ✓ 98% of Medicaid Managed Care prescriptions are filled by Medicaid FFS pharmacies.

Policy: [https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy\\_Policy\\_Guidelines.pdf](https://www.emedny.org/ProviderManuals/Pharmacy/PDFS/Pharmacy_Policy_Guidelines.pdf)

- ✓ NYS DOH will monitor enrollment and send reminders to non enrolled prescribers.

Provisional Enrollment Portal: <https://www.emedny.org/COVID19/>

Provider Enrollment: <https://www.emedny.org/info/ProviderEnrollment/index.aspx>

- ✓ Nearly all Medicaid Managed Care members are using Medicaid FFS DMEPOS providers.

Policy: [https://www.emedny.org/ProviderManuals/DME/PDFS/DME\\_Policy\\_Section.pdf](https://www.emedny.org/ProviderManuals/DME/PDFS/DME_Policy_Section.pdf)

- ✓ Very small number of Physician Dispensers (~ 12 NPIs)

Policy: [https://www.health.ny.gov/health\\_care/medicaid/program/update/2021/docs/mu\\_no01\\_jan21\\_pr.pdf](https://www.health.ny.gov/health_care/medicaid/program/update/2021/docs/mu_no01_jan21_pr.pdf)

# Data Sharing Updates

# Data Sharing Updates

Data Sharing development and testing is on track including:

- Prior authorization – data will allow FFS to honor managed care prior authorizations
- Daily Claims File – data will provide the plans with data they need to support operations & care management
- On-Demand Reporting – reports will provide the plans with specific-purpose data to support operations and care management



# Communications and Resources



# Website Updates

The following content has been added to the website since the last meeting:

- [All Stakeholder](#) – January 19 Presentation
- [FAQ Update](#) – Updated 2/22/21
- [Transition & Communication Activities](#) – Updated 1/26/21
- [Scope of Benefits](#) – Updated 2/3/21

Website updates will continue to be communicated via the MRT LISTSERV.

The screenshot shows the New York State Department of Health website. The top navigation bar includes links for Services, News, Government, and Local. Below this is a purple header for the Department of Health with sub-links for Individuals/Families, Providers/Professionals, Health Facilities, and Search. The main content area is titled "Pharmacy Carve Out" and includes a breadcrumb trail: "You are Here: Home Page > MRT II > Pharmacy Carve Out". The page content is organized into several sections:

- MRT II**: A sidebar menu with links to Home, Implemented Budget Actions, Regulations Implementing MRT II Recommendations, Private Duty Nursing (PDN) for Medically Challenged Children, MRT 1115 Waiver Amendment Proposals, MRT 1115 Waiver Extension Request, Meetings/Forums, Policy & Guidance, Press Releases, SPAs Submitted to CMS, Pharmacy Carve Out, and Archives.
- Pharmacy Carve Out**: A main heading with a sub-heading "Pharmacy Carve Out" and a paragraph: "This MRT II initiative will move the pharmacy benefit for 4.3 million Medicaid managed care members back to fee-for-service (FFS). Transitioning pharmacy". Below this are three bullet points:
  - Provide the State with full visibility into prescription drug costs.
  - Centralize and leverage negotiation power.
  - Provide a single drug formulary with standardized utilization management protocols.
- Pharmacy Carve-Out Medicaid Update Articles**: A section with two bullet points:
  - *Special Edition Part One: Medicaid Pharmacy Carve-Out* - (PDF) - December 2020
  - *Attention: Pharmacies, Durable Medical Equipment, Prosthetics, Orthotics and Supply Providers, and Prescribers That Are Not Enrolled in Medicaid*
- Resources & Materials**: A section with five bullet points:
  - 1557 Non-Discrimination and Language Services Templates - (PDF)
  - Managed Care Plan Mailing Schedule for Member Notice of Change - (Web) - (PDF)
  - Member Notice of Change - (Web) - (PDF) Updated - 12.21.2020.
  - Transition & Communications Activities Timeline - (Web) - (PDF) - Updated - 1.26.2021
  - Frequently Asked Questions (FAQs) - (Web) - (PDF) - Updated - 1.8.2021
- Stakeholder Engagement**: A section with two bullet points:
  - Presentation from *All Stakeholder* meeting held on January 19, 2021: Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-
  - Presentation from *All Stakeholder* meeting held on December 21, 2020: Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-

At the bottom of the page, there is a "Follow Us" section with icons for Facebook, Twitter, and YouTube, and a "Search" section with a search box and a "Search" button.

Watch for changes to materials to align with new implementation date

# Resources



Website:

[https://www.health.ny.gov/health\\_care/medicaid/redesign/mrt2/pharmacy\\_carve\\_out/](https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_carve_out/) Information regarding the transition of the pharmacy benefit from Managed Care to FFS will be posted at the above website.



Email: [PPNO@health.ny.gov](mailto:PPNO@health.ny.gov) – Please write *Carve-Out* in the subject line



DOH Medicaid Update:

[https://www.health.ny.gov/health\\_care/medicaid/program/update/main.htm](https://www.health.ny.gov/health_care/medicaid/program/update/main.htm)



MRT LISTSERV:

[https://health.ny.gov/health\\_care/medicaid/redesign/listserv.htm](https://health.ny.gov/health_care/medicaid/redesign/listserv.htm)

# Questions?

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

