



**Department
of Health**

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

All Stakeholder: Implementation Update

January 19, 2021

Overview

- Stakeholder Engagement Update
- Key Deliverables and Timeline Update
- Updates
 - Transition & Communication Activities
 - Provider Enrollment Update
 - Data Sharing Updates
- FAQ Spotlight
- 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



Monthly

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 standing topics of data sharing, transition & communication activities, and provider enrollment and focus topic as needed



Bi weekly

Purpose:

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

Status:

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



340B Advisory Group

All Stakeholders

Technical Workgroup

340B Advisory Group

Key Deliverables and Timeline Update

Key Deliverables and Timeline Update

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

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

Key Deliverables and Timeline Update

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

Updates

Updates

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

Transition & Communication Activities Updates

Transition & Communication Activities

- Upcoming Activities
 - MCPs submit Initial Approved Prior Authorizations to NYS DOH – 1/22/21
- Upcoming Communication Activities
 - NYS & MCP website updates – ongoing
 - Notices – discussion on following slides

Transition & Communication Activities

Transition & Communication Activities

Outreach Strategy

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-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** with providers who have not enrolled in FFS so they can transition to new providers (**MCPs**)

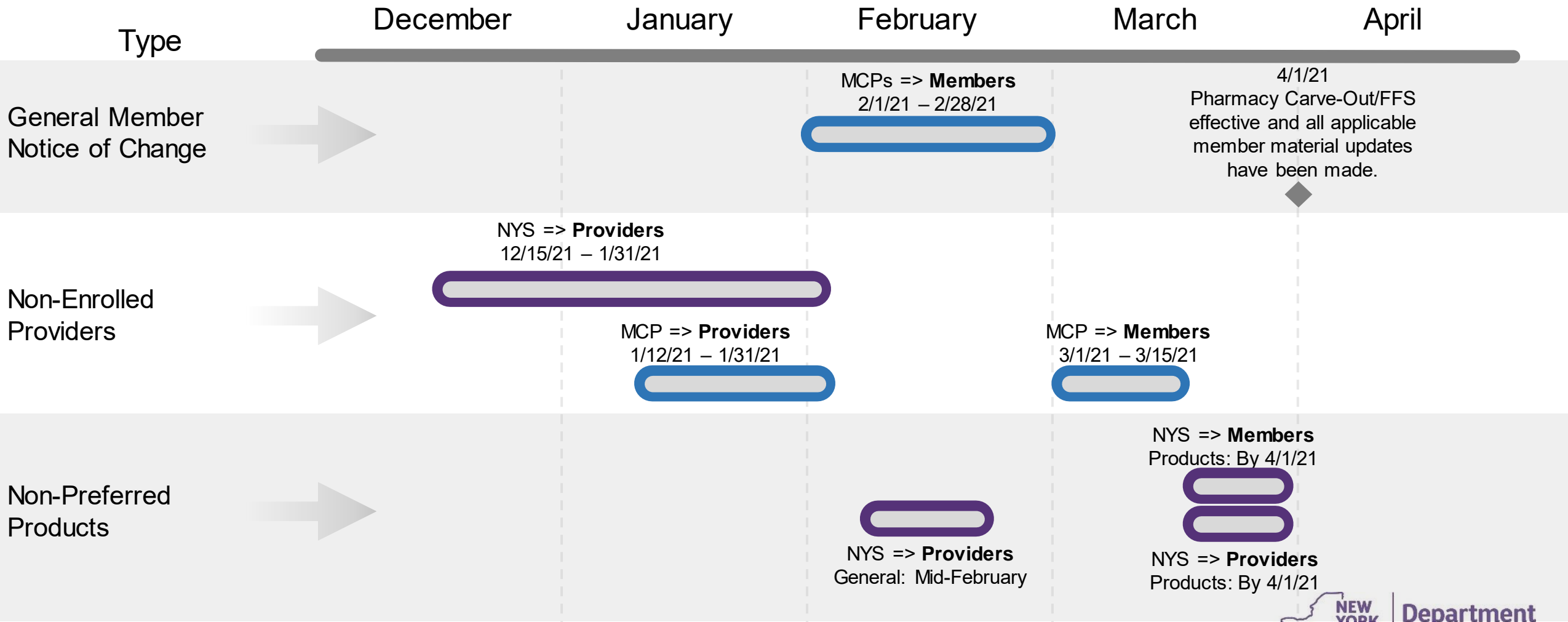
*We will also conduct similar outreach following this approach for physician-dispensers of ineligible drugs

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**)
3. Provide targeted product-specific information to **members** who have non-preferred product prescriptions so they can consult with their prescribers to transition products as appropriate (**NYS**)

Transition & Communication Activities

Outreach Timeline Target Dates



■ MCP Mailing
 ■ NYS Mailing

Provider Enrollment Updates

Provider Enrollment

- Medicaid Managed Care plans conducting outreach to in-network and high-volume out-of-network providers - January
- NYS conducting outreach to providers not enrolled in the Fee for Service (FFS) program
 - Pharmacies enrolled only in managed care – completed December
 - Outreach to remaining pharmacies, DMEPOS and prescribers – January
- State enrollment processes and operations being tuned to support transitional provider enrollment volumes - January
- NYS finalizing templates for member outreach for use by plans in March mailings - January

Data Sharing Updates

Data Sharing Updates

Prior Authorization – honor managed care prior authorizations in fee-for service

- Initial test conducted and adjustments near completion
- Plans will transmit files to DOH for initial load – January
- NYS and Plans working to finalize approach to DMEPOS prior authorizations

Daily Claims File – provide the plans with data they need to support operations & care management

- First test file has been delivered to plans and review is underway
- Second test to be conducted in February

On-Demand Reporting – provide the plans with specific-purpose data to support operations and care management

- Priority reports have been identified (adherence, first fill) and are being developed for 4/1

FAQ Spotlight

FAQ Spotlight: General

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.

FAQ Spotlight: Provider Impact

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

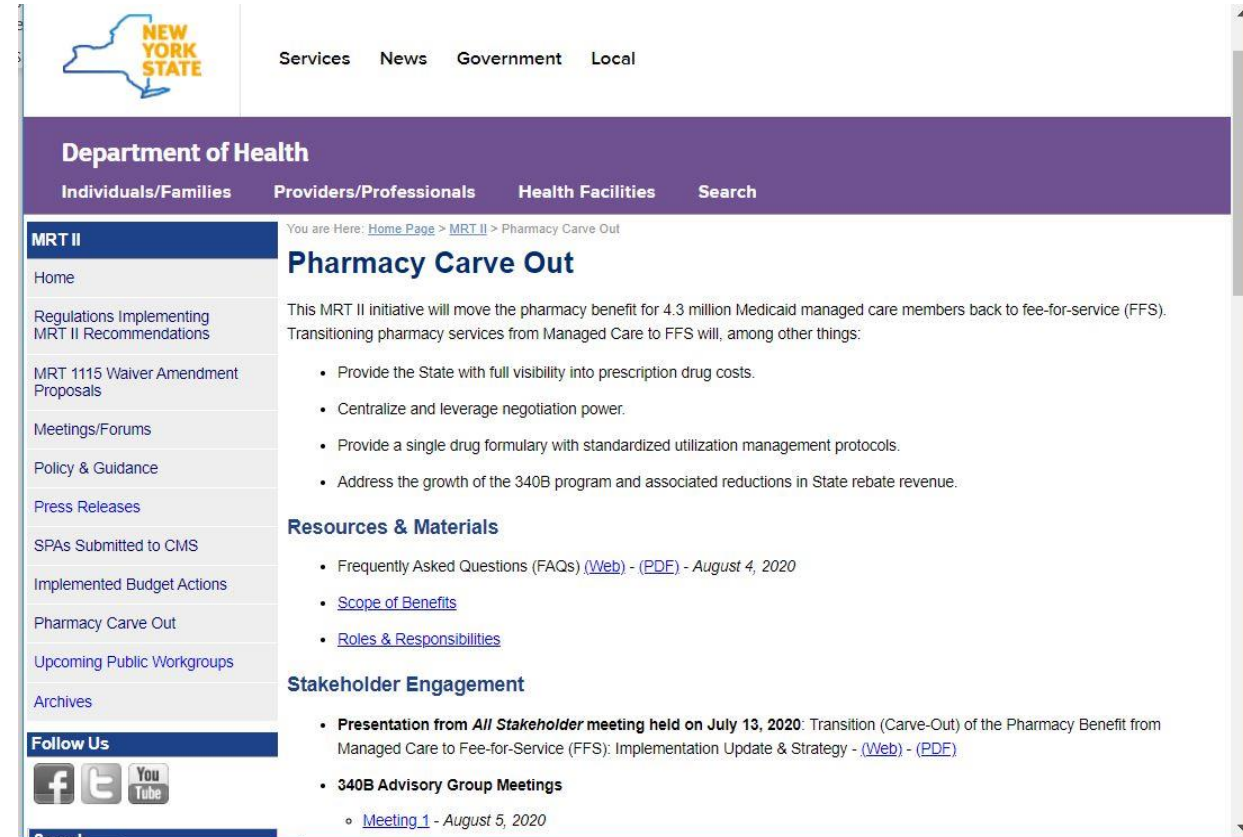
Starting April 1, 2021, pharmacies will submit claims to the Medicaid Fee-For-Service (FFS) program, using the Client Identification Number (CIN), which can be found on the member's Medicaid or the MMC plan Identification Card. Additional information regarding FFS claim submission can be found within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

Communications and Resources



Website Updates

- The following content has been added to the website since the last meeting:
 - [All Stakeholder](#) – December 21 Presentation
 - [FAQ Update](#) – January 8, 2021
- Website updates will continue to be communicated via the MRT LISTSERV.



The screenshot shows the New York State Department of Health website. The top navigation bar includes "Services", "News", "Government", and "Local". Below this is the "Department of Health" header with sub-navigation for "Individuals/Families", "Providers/Professionals", "Health Facilities", and "Search". The main content area is titled "MRT II" and "Pharmacy Carve Out". A breadcrumb trail reads "You are Here: Home Page > MRT II > Pharmacy Carve Out". The page text states: "This MRT II initiative will move the pharmacy benefit for 4.3 million Medicaid managed care members back to fee-for-service (FFS). Transitioning pharmacy services from Managed Care to FFS will, among other things:" followed by a bulleted list of goals. Below this are sections for "Resources & Materials" and "Stakeholder Engagement", each with a bulleted list of links and documents.

NEW YORK STATE

Services News Government Local

Department of Health

Individuals/Families Providers/Professionals Health Facilities Search

MRT II

You are Here: [Home Page](#) > [MRT II](#) > Pharmacy Carve Out

Pharmacy Carve Out

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

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

Resources & Materials

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

Stakeholder Engagement

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

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Resources



Website:

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



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



DOH Medicaid Update:

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



MRT LISTSERV:

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

Questions?

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

*Note: we have a fully remote panel for today's event and so
may need to provide responses to some or all of the questions
in FAQs following the session.*

