



Department
of Health

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

All Stakeholders: Implementation Update

August 16, 2022

Overview

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- **Communications and Resources**
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Transition Overview

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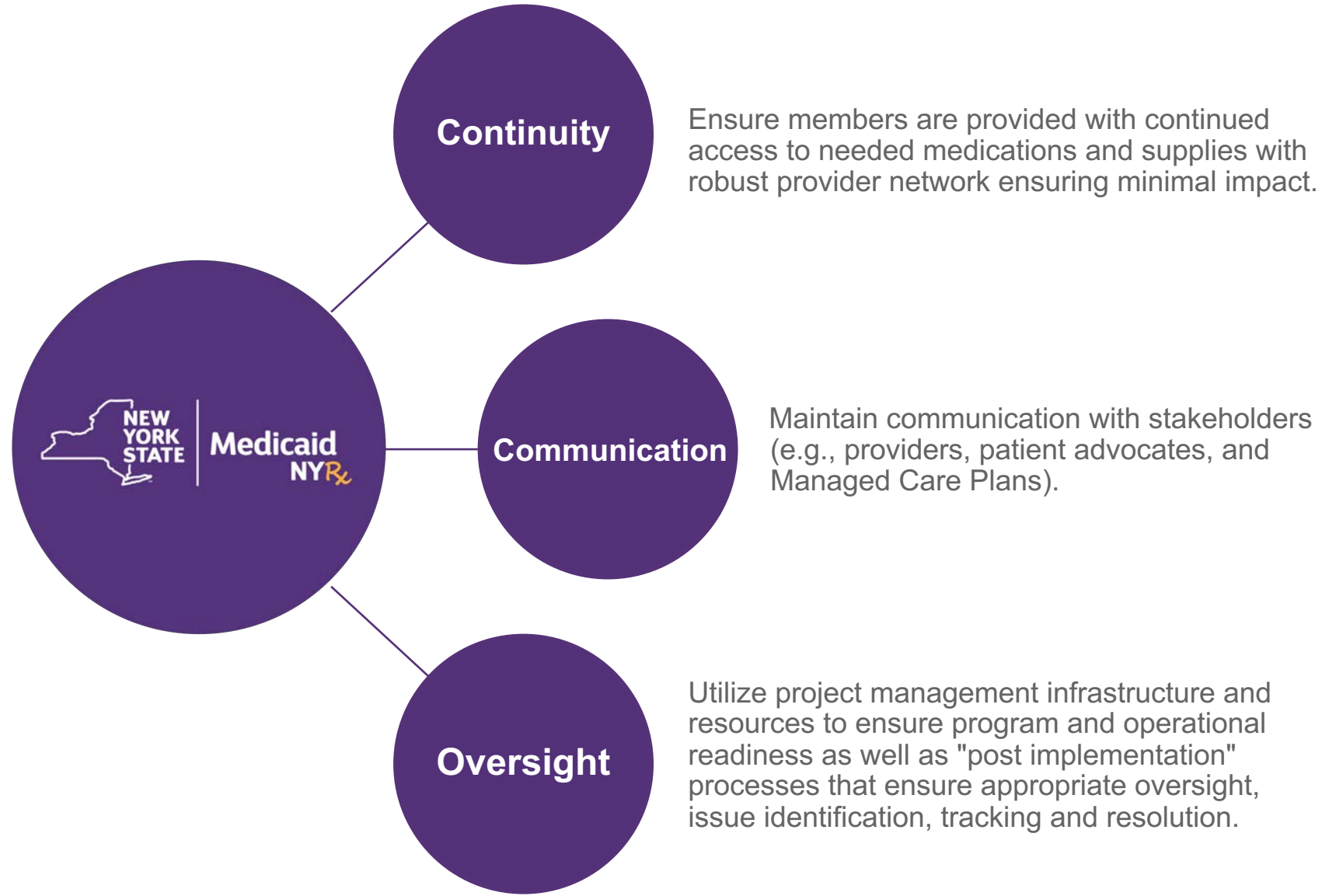


Transition Overview

- Beginning April 1, 2023, Medicaid members enrolled in mainstream Managed Care (MC) plans, Health and Recovery Plans (HARPs), and HIV-Special Needs (SNPs) will receive their pharmacy benefits through the Medicaid Fee for Service (FFS) Pharmacy Program.
- The transition will not apply to members enrolled in Managed Long-Term Care plans (e.g., PACE, MAP, and MLTC), the Essential Plan, or Child Health Plus.
- The transition will not change the scope of benefits (e.g., copayments and covered drugs) of the existing Medicaid Pharmacy Benefit.

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Transition Guiding Principles



Benefits of the Transition

Transparency and Integrity

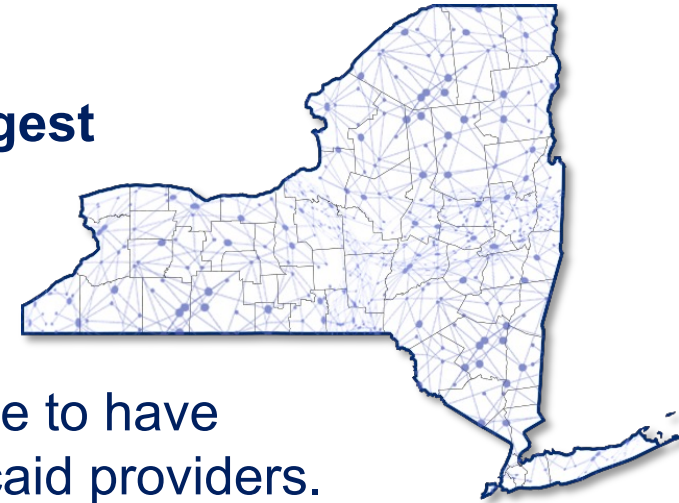


Fee for Service reimbursement **eliminates the risk of unfair pricing** by paying providers based on the actual cost of a drug plus dispensing fee.

Audits and oversight have found that Managed Care Plans are failing to comply with all Federal and State rules.

Access

Medicaid has the **largest statewide network with over 5,000** enrolled pharmacies.



Members will continue to have access to their Medicaid providers.

Purchasing Power

DOH will have stronger purchasing power when negotiating directly with drug manufacturers for **additional savings, including on expensive drugs.**



Alignment and Coverage

Each Managed Care Plan has its own formulary, which creates inconsistent coverage.



After the transition, there will be **less inconsistencies and fewer restrictions** because all members and providers will be aligned with Medicaid's formulary which provides **100% coverage.**

Transition Fundamentals

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Roles & Responsibilities

DOH (OHIP)

- Program Administration
- Financial Management
- Contract Management
- Drug Utilization Review (DUR) Program and Board Oversight
- Policy Development and Maintenance
- Rebate Administration
- Pharmacy Enrollment and Reimbursement
- Data Access/Sharing
- Fraud, Waste, and Abuse

FFS Pharmacy Contractors

Established Contractors: CMA, DiRAD, GDIT/Kepro, Magellan Rx, Maximus, SUNY

- Program Administration
- Enteral Product Prior Authorization
- Drug Utilization Review
- Rebate Administration
- Provider Enrollment
- Data Access/Sharing

Managed Care Plans

- Care Coordination
- Clinical Management
- DUR Program and Board Oversight
- Fraud, Waste, and Abuse

More details are available on the transition website:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/docs/rx_carve_out_roles.pdf

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Scope of Benefits

The transition will not change the scope (e.g., copayments and covered drugs) of the existing Medicaid pharmacy benefits.

- **Outpatient Prescription Drugs**
- **Over the Counter Drugs**
- **Vaccines that can be administered by pharmacists**
- **Enteral and Parenteral Nutrition**
- **Family Planning**
- **Medical/Surgical Supplies**
- **Hearing Aid Batteries**



Visit the transition website for a comprehensive list of benefits that will be transitioned from Managed Care to Fee for Service:
https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/repository/docs/rx_scope_of_benefits.pdf

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Scope of Benefits

The following benefits will not be included in the transition and will remain covered under the Managed Care Plans:

- **Durable Medical Equipment (DME)**
- **Prosthetics**
- **Orthotics**
- **Prescription Footwear**

See Appendix A for a detailed list of supplies that will remain under the Managed Care Plans:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/repository/docs/rx_scope_of_benefits.pdf

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Communications and Resources

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Website Resources

Medicaid Members (Consumers), Providers, Managed Care Plans, and Stakeholders can access important information as well as tools and resources for the benefit transition effective April 1, 2023.

www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/



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Welcome to the NY Medicaid Pharmacy Program (NYRx)

Member Quick Links

[Info for Medicaid Consumers](#) [Drugs Covered](#) [Find a Pharmacy](#) [Resources](#)

Members (Medicaid Consumers)
Information and resources, including:

- Understanding the move from Managed Care to FFS
- Covered Drugs and Supplies
- Pharmacies that accept Medicaid
- FAQs

Beginning April 1, 2023, all Medicaid consumers enrolled in Mainstream Managed Care will transition to the Fee-For-Service (FFS) Pharmacy Program. The FFS Program allows New York State to reimburse Medicaid consumers.

Prior to April 1, 2023, Mainstream Medicaid consumers accessed their pharmacy benefits through anyone in Managed Care (MC) plans, Health and Recovery Plans (HARPs) and HIV-Special Needs Plans (HIV-SNPs). In this case, the state reimburses the health plan rather than the pharmacy.

Moving all Medicaid consumers under the FFS Pharmacy Program allows for a single, uniform list of covered drugs and standardized, consistent rules and regulations. Thus, New York State is able to offer an improved, simplified process for Medicaid consumers to get the medicines and supplies they need. Medicaid consumers have comprehensive drug coverage and equitable access to an extensive network of over 5,000 pharmacy providers.

This transition does not apply to Managed Long Term Care plans (e.g., PACE, MAP, MLTC) or the Essential Plan.

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/

Medicaid Pharmacy

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For Providers/Prescribers and Pharmacists

NY Medicaid Pharmacy Program (NYRx) Information



Effective April 1, 2023, Medicaid members enrolled in mainstream Managed Care will receive their pharmacy benefits through the Medicaid Fee-for-Service (FFS) transition does not apply to members enrolled in Managed Long-Term Care programs.

Transitioning the pharmacy benefit from MC to FFS will provide the State with increased negotiation power, and provide a single drug formulary with standardized utilization for all Medicaid members.

- [Pharmacy Benefits Affected by Transition from Managed Care](#)
- [Information for Pharmacies](#)
- [Information for Prescribers](#)
- [Information for Providers of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies \(DMEPOS\)](#)
- [Frequently Asked Questions \(FAQs\)](#)
- If you need help or have questions, please contact us:

Providers
Information and resources specifically for Pharmacies, Prescribers and DME Providers, including:

- FFS Enrollment
- Billing Changes
- Prior Authorization
- FAQs

		
By email: PPNO@health.ny.gov	By phone: The Medicaid Helpline can help you in your preferred language: 1-800-541-2831 Open Monday - Friday, 8 am - 8pm and Saturday, 9am - 1 pm	If you are interested in receiving MRT email alerts, visit the MRT LISTSERV web page to subscribe.

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Repository

- Medicaid Update Articles
- Resources & Materials
- Stakeholder Engagement

Pharmacy Benefit Transition

- Scope of Benefits - ([Web](#)) - ([PDF](#)) - Updated 7.11.2022
- Transition and Communication Activities Timeline - ([Web](#)) - ([PDF](#)) - Updated 7.11.2022
- 1557 Non-Discrimination and Language Services Templates - ([PDF](#))
- Frequently Asked Questions (FAQs) - ([Web](#)) - ([PDF](#)) - Updated - 7.8.2022
- Roles & Responsibilities - ([Web](#)) - ([PDF](#)) Updated - 6.27.2022

Document Repository

Important documents related to the benefit transition, including:

- Medicaid Update articles
- Resources (e.g., Scope of Benefits)
- Copies of All Stakeholders presentations

Revised: July 2022

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Resources



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



Email: NYRx@health.ny.gov – Please include **Pharmacy Benefit Transition** 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

Next Steps

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Stakeholder Engagement

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

- Monthly meetings starting with August 16 session
- Meetings will be scheduled for the third Tuesday of each month
- Notifications are sent 1 week prior via the MRT LISTSERV



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Key Deliverables and Timeline Update

Deliverable(s)	Target Date	
Complete Work Plan and Establish State Transition Team	June 2022	✓
Recurring Workgroup Calls with Health Plans about Transition begin	June 2022	✓
Finalize NYS DOH/Managed Care Plan Roles	June 2022	✓
Finalize NYS DOH/Managed Care Plan Scope of Benefits and Transition & Communications Timeline	July 2022	✓
NYS DOH Website Go-Live	July 2022	✓
Recurring All Stakeholders meetings begin	August 2022	
Transition Analysis Conducted (e.g., Formulary, DME, OTC Comparisons), Changes Made To Smooth Transition and Transition Strategy Finalized	August 2022	

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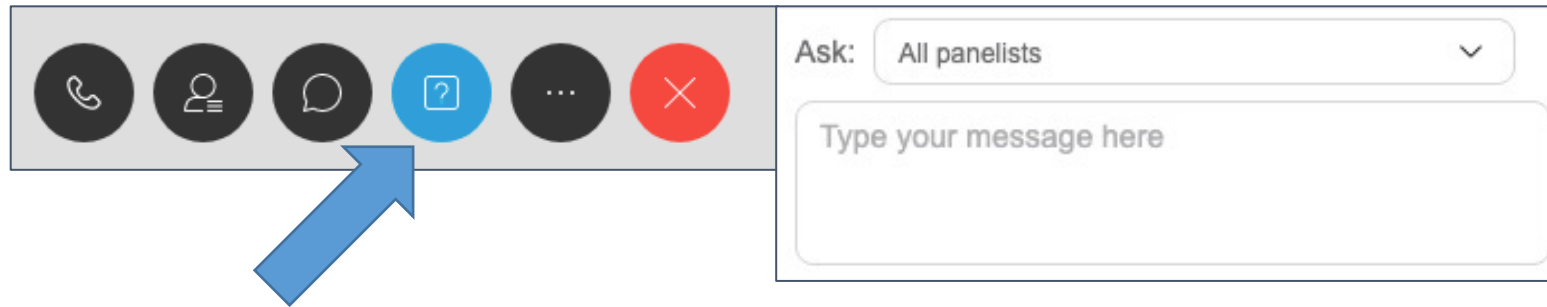
Key Deliverables and Timeline Update

Deliverable(s)	Target Date
Initial Special Edition Medicaid Update Published	November 2022
Second Special Edition Medicaid Update Published	February 2023
Member Notice of Change and Non-Enrolled Provider Notifications Sent	February 2023
Make Required Changes to Common Benefit Identification Card (CBIC) Carrier or Notice	April 2023
Go Live	April 1, 2023

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Questions?

Please submit your questions to All Panelists using the Q&A panel of Webex.



Thank you for being patient while we review your questions.

Visit the transition website for [Frequently Asked Questions](#).