

**TO:** Local District Commissioners, Medicaid Directors

**FROM:** Judith Arnold, Director, Division of Coverage and Enrollment

**SUBJECT:** Family Health Plus: Pharmacy Carve-Out

**EFFECTIVE DATE:** October 1, 2008

**CONTACT PERSON:** Local District Liaison:  
Upstate (518)474-8887 New York City (212)417-4500

This GIS is to inform local departments of social services and the Human Resources Administration (HRA) of changes to the Family Health Plus (FHPlus) program pursuant to Chapter 58 of the Laws of 2008. Effective October 1, 2008, the prescription drug benefit under the FHPlus Program will be administered through the Medicaid Program. Currently, FHPlus recipients receive their drug benefit through their health plan.

Beginning October 1, 2008, FHPlus recipients must use a NYS Common Benefit Identification Card (CBIC) to obtain pharmacy benefits. To ensure each recipient has a CBIC by the 10/1/08 implementation date, modifications to the system will be made in two steps.

#### System Changes

The first step occurred with the systems migrations both upstate and New York City on 6/23/2008. CBICs will be generated for FHPlus recipients with categorical codes of 56, 57, 58, and 59 at an opening and reopening. If the card code field is left blank, WMS will assign a card code of "P".

Upstate a card code of "X" will no longer be an allowable entry on a case type 24. For all current FHPlus recipients with a card code of "X", in addition to openings and reopenings, when the transaction type is an undercare change or a renewal, the system will change the card code to a "P", which will generate a CBIC.

In New York City the system will not automatically generate a "P" at all undercare changes or renewals; however the worker can manually change the card code to a "P". At reopening when a case type 20 is changed to a 24 the card code will not change.

The information that is mailed with the benefit card has been revised to include the following statement: "Effective 10/1/2008 Family Health Plus enrollees must use this card for pharmacy benefits".

**Note:** FHPlus recipients are not required to have their picture taken for their benefit identification card and therefore, it is not a condition of eligibility for FHPlus. The system edits have been modified to allow the entry of "P" and generate a card even when a photo is not on file.

The second step statewide, a conversion of all remaining active FHPlus recipients with a card code of "X" to a card code of "P", will take place late summer 2008. The system will generate a CBIC for all FHPlus recipients, except those individuals who currently have a CBIC to access their Food Stamp benefits. Local departments of social services and HRA will be informed of the conversion schedule when it is determined. In addition, a mass mailing will be sent to all active FHPlus households informing them of this change prior to the conversion. Upstate Client Notice System (CNS) notices to FHPlus recipients have been updated to include language that explains the use of a benefit identification card for pharmacy benefits. In New York City opening notices will also be revised. Upstate systems information related to this change was released in the June 11, 2008 WMS/CNS Coordinator letter.

#### Pharmacy coverage information

Drugs currently covered under the FHPlus program will continue to be covered; however some may require prior authorization.

Pharmacy benefits will include:

- o Prescription drugs
  - o Insulin and diabetic supplies currently covered as a pharmacy benefit by Medicaid (e.g., insulin syringes, blood glucose test strips, lancets, alcohol swabs)
  - o Smoking cessation agents, including over-the-counter (OTC) products
  - o Select over-the-counter medications covered on the Medicaid Preferred Drug List (e.g., Prilosec OTC, Loratadine, Zyrtec)
  - o Hearing aid batteries
  - o Enteral formulae
- ◆ Drug co-payments for FHPlus enrollees will not change. Co-payments will remain at \$6.00 for brand-name drugs, \$3.00 for generic drugs, \$1.00 for diabetic supplies, hearing aid batteries and enteral formulae, and \$0.50 for covered over-the-counter drugs.
  - ◆ Utilization threshold limits do not apply to FHPlus recipients.
  - ◆ Prescriptions for FHPlus enrollees will be subject to Medicaid's Preferred Drug Program, Clinical Drug Review Program, and the Mandatory Generic Drug Program. Prescriptions will also be subject to all Medicaid program requirements such as quantity limits.
  - ◆ Information on the Medicaid Pharmacy Program can be found at <http://www.nyhealth.gov> or by calling 1-518-486-3209.