

DSS-4357EL

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GENERAL INFORMATION SYSTEM

03/29/99

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TO: Local District Commissioners, Medicaid Directors, Managed Care Coordinators

FROM: Betty Rice, Director

Division of Consumer and Local District Relations

SUBJECT: Managed Care Guarantee Period and Pharmacy Carve-Out

EFFECTIVE DATE: Immediately

CONTACT PERSON: Julie O'Connor

This GIS message is intended to provide preliminary information to the local departments of social services about an impending policy change for Medicaid managed care plan enrollees in guaranteed eligibility status. This change in policy will be retroactive to August 1, 1998.

As you know, New York State legislation enacted in 1998 required the "carve-out" of pharmacy services from Medicaid managed care plan benefit packages. This carve-out went into effect on August 1, 1998. Under the carve-out, Medicaid managed care enrollees no longer receive prescription drugs or over the counter drugs or medical supplies from their managed care plans, but access these services on a fee-for-service basis. Enrollees were notified of this change in the way they access pharmacy benefits in a July 20, 1998 letter. At the time of this policy change, Medicaid managed care enrollees in guaranteed eligibility status were informed that they would not be entitled to receive pharmacy services from their managed care plan nor would they be able to access these services on a fee-for-service basis.

However, a decision was made to permit those Medicaid eligibles enrolled in Medicaid managed care plans who are in guaranteed eligibility status to be able to receive pharmacy services on a fee-for-service basis until the end of their guaranteed eligibility period.

Enrollees of managed care plans will be informed of this change in policy through their Medicaid managed care plans and through client notices. Pharmacies have also been notified about the change in policy and were given instructions on how to submit claims to MMIS for payment.

Due to the retroactive implementation date of this policy change, we will be required to reimburse those individuals who, while in guaranteed eligibility status, may have paid out-of-pocket expenses for pharmacy services. Office of Medicaid Management (OMM) staff are currently developing a reimbursement procedure, as well as identifying recipients who were in guaranteed eligibility status after August 1, 1998. Once these processes are completed, OMM will notify recipients how to seek reimbursement of paid out-of-pocket expenses for pharmacy services while they were in guaranteed eligibility status.

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Additional information will be provided to you in the near future concerning the reimbursement of out-of-pocket expenditures. In the interim, should you have any questions regarding managed care issues, please contact the Bureau of Intergovernmental Affairs in the Office of Managed Care at 518-486-9015.