



**Department
of Health**

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

All Stakeholder: Implementation Update and Strategy

August 17, 2020

Overview

- Project Overview
- Stakeholder Engagement Update
- Key Deliverables and Timeline Update
- Communications and Resources

Project Overview

Project Overview

- Transitioning pharmacy services from Managed Care to fee-for-service (FFS) will, among other things, do the following:
 - 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.

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:

- First meeting held
- Remaining meetings scheduled

All Stakeholders



Monthly

Purpose:

NYS DOH will lead working sessions with Medicaid Managed Care Plans (and other subject matter experts as needed) to address specific topics and issues related to the transition, facilitate a Q&A session, and incorporate feedback into the workplan as needed.

Status:

- First and second meetings held
 1. Roles & Responsibilities and Scope of Benefits
 2. Data Sharing

Technical Workgroup



Bi weekly

Purpose:

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

Status:

- First meeting held
- Remaining meetings scheduled

340B Advisory Group



Meeting 1	8/5/2020
Meeting 2	8/26/2020
Meeting 3	9/16/2020

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	
Notice of 1115 Waiver Amendment	December 2020	
Finalize State/Health Plan Data Sharing Requirements	October 2020	
Recommendations from 340B Advisory Group	October 2020	
Changes Made to Model Contract	October 2020	
Transition Analysis Conducted (e.g., Formulary, DME, OTC Comparisons), Changes Made To Smooth Transition and Transition Strategy Finalized	November 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 and Implemented	December 2020
340B Related State Plan Amendment (SPA) Submitted	December 2020
Initial Special Edition Medicaid Update Published	December 2020
Systems Stress Testing Performed	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
Go Live: Daily Calls with Stakeholders (through 4/30/2021 or Beyond as Needed)	April 2021

Communications and Resources



Website Updates

- A new [webpage](#) has been created that provides stakeholders with information on resources and materials, as well as stakeholder engagement for the transition of the Medicaid pharmacy benefit from Managed Care to fee-for-service.
- Website updates will be communicated via the MRT listserv. Sign-up instructions for the listserv can be found on the [website](#)

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 features a sidebar with links to 'Home', 'Regulations Implementing MRT II Recommendations', 'MRT 1115 Waiver Amendment Proposals', 'Meetings/Forums', 'Policy & Guidance', 'Press Releases', 'SPAs Submitted to CMS', 'Implemented Budget Actions', 'Pharmacy Carve Out', 'Upcoming Public Workgroups', and 'Archives'. 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 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:'. A bulleted list follows:

- 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.

 Below this is a 'Resources & Materials' section with links to 'Frequently Asked Questions (FAQs) (Web) - (PDF) - August 4, 2020', 'Scope of Benefits', and 'Roles & Responsibilities'. The 'Stakeholder Engagement' section includes:

- **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

 At the bottom of the sidebar, there is a 'Follow Us' section with icons for Facebook, Twitter, and YouTube.



Resource Spotlight: FAQs

- [Frequently Asked Questions \(FAQs\)](#) have been posted to the new NYS DOH webpage dedicated to the Pharmacy Carve-Out
- The FAQs will be updated as the project progresses
- The FAQs cover the following topic areas:
 - General
 - Stakeholder Engagement
 - 1115 Medicaid Redesign Team (MRT) Waiver
 - Scope of Benefits
 - 340B
 - Member Impact
 - Managed Care Plans (MCPs)
 - Provider Impact
 - Formulary Management and Drug Utilization Review (DUR)
 - Fee-For-Service (FFS) Claims Processing & Operations

Resource Spotlight: Materials Posted



Resources and materials will be updated and clarified based on stakeholder feedback

- [Scope of Benefits:](#)

- Provides an inventory of NY Medicaid's outpatient pharmacy benefit, and whether the benefit is subject to the carve-out.
 - Medicaid managed care plans will continue to be responsible for:
 - Practitioner administered drugs when billed as a medical or institutional claim, and;
 - Vaccines and COVID-19 specimen collection when billed as a medical or institutional claim.
 - All other outpatient pharmacy benefits will be subject to the carve-out.

- [Roles & Responsibilities](#)

- Provides a high-level overview of the post-transition roles and responsibilities for the Office of Health Insurance Programs (OHIP), the existing FFS Medicaid Contractors, and contracted managed care plan partners, as of April 1, 2021.

Resources



Website: www.health.ny.gov/health_care/Medicaid/redesign/mrt2/
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



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

Questions?

Please enter your question within the chat feature of the WebEx Event meeting.

