



**Department  
of Health**

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

**All Stakeholder: Implementation Update**

November 16, 2020

# Overview

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# Project Overview

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- 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

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## 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

All Stakeholders



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:

- Sessions 1-7 complete covering Roles & Responsibilities, Scope of Benefits, Data Sharing, Transition Strategy, Member & Provider Communication, Value-Based Payments, QARR Measures, Program Integrity, DME Supplies
- Next two sessions will address Transition & Communication Activities and Model Contract

Technical Workgroup



Bi weekly

## Purpose:

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

## Status:

- Three meetings held on 8/5, 8/26, 9/16.
- No formal recommendations have been submitted by the Advisory Group to date.
- A fourth meeting will be scheduled with the Advisory Group in the coming weeks.

340B Advisory Group



Four Meetings

# Key Deliverables and Timeline Update

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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 and Implemented	December 2020
340B Related State Plan Amendment (SPA) Submitted (if necessary)	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	February 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

# Updates

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- [Transition and Communications Timeline](#)
- [Scope of Benefits](#)
  - Durable Medical Equipment (DME)/Supplies
- [FAQs](#) Updated on October 23 & November 5, 2020 – DME  
Supplies Focus

# Medicaid Update – Provider Enrollment

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- [October 2020 Medicaid Update](#) – Provider Enrollment

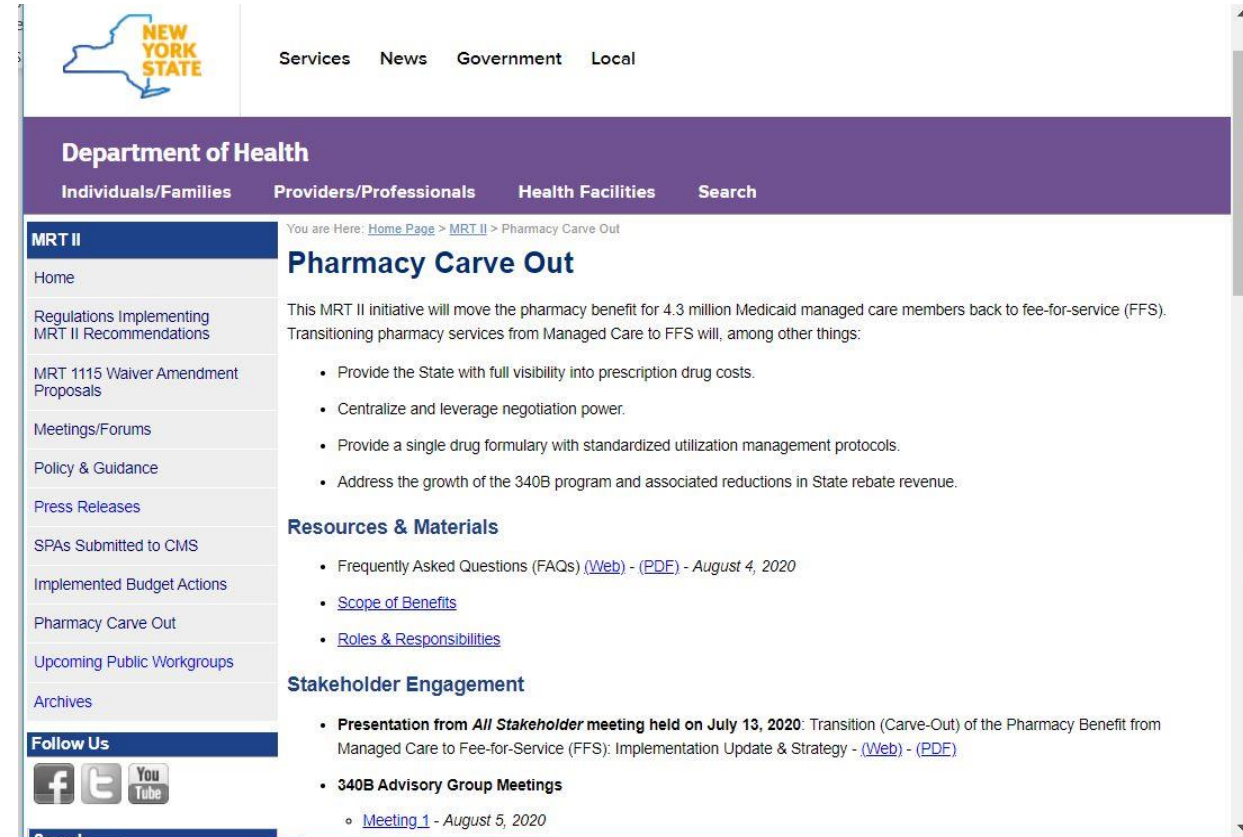
*Article: Pharmacies, Durable Medical Equipment, Prosthetics, Orthotics and Supply Providers, and Prescribers That are Not Enrolled in Medicaid Fee-for-Service (p. 10)*

# Communications and Resources



# Website Updates

- The following content has been added to the website since the last meeting:
  - [All Stakeholder October 19 Presentation](#)
  - [Scope of Benefits](#) Updated October 21, 2020
  - [FAQ Update](#) – November 5, 2020
  - [Transition & Communication Activities Timeline](#) – November 10, 2020
- 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 links for Services, News, Government, and Local. The main header is "Department of Health" with sub-navigation for Individuals/Families, Providers/Professionals, Health Facilities, and Search. The current page is titled "MRT II" and "Pharmacy Carve Out". The breadcrumb trail is "Home Page > MRT II > Pharmacy Carve Out". The main content area describes the MRT II initiative, which will move the pharmacy benefit for 4.3 million Medicaid managed care members back to fee-for-service (FFS). It lists three key goals: providing full visibility into prescription drug costs, centralizing and leveraging negotiation power, and providing a single drug formulary with standardized utilization management protocols. Below this, there are sections for "Resources & Materials" (including FAQs, Scope of Benefits, and Roles & Responsibilities) and "Stakeholder Engagement" (including a presentation from the All Stakeholder meeting and 340B Advisory Group Meetings).

# Resources



Website: [https://health.ny.gov/health\\_care/medicaid/redesign/mrt2/](https://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](mailto:PPNO@health.ny.gov) – Please write *Carve-Out* in the subject line



MRT LISTSERV:  
[https://health.ny.gov/health\\_care/medicaid/redesign/listserv.htm](https://health.ny.gov/health_care/medicaid/redesign/listserv.htm)



# Questions?

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

