

Important:

The FY 2022 Enacted Budget delays the transition of the Medicaid pharmacy benefit by two years, until April 1, 2023.

Pharmacy Carve-Out: The following charts provide additional context and information related to the Department's implementation of the Pharmacy Carve-Out from managed care to fee-for-service (FFS), effective April 1, 2023.

CHART #1

This chart provides a snapshot of what is changing and what is not in relation to pharmacy services in New York Medicaid's two delivery systems, managed care and FFS, in the current state (pre-transition) and future state (post-transition).

Pharmacy Services	Current State (Pre-Transition)	Future State (Post-Transition)
Managed Care Delivery System		
<ul style="list-style-type: none"> Pharmacy benefits that are billed on pharmacy claims. 	<ul style="list-style-type: none"> Managed Care Plans (MCPs) are responsible for providing these benefits, and this is built into the capitated payment. 	<ul style="list-style-type: none"> MCPs will no longer be responsible for those items identified in Chart #2 as being subject to the FFS carve-out; these benefits will be removed from the capitated payment. These claims will be processed under FFS and paid through the eMedNY system.
<ul style="list-style-type: none"> Pharmacy benefits that are billed on medical and institutional claims. 	<ul style="list-style-type: none"> Managed Care Plans (MCPs) are responsible for providing these benefits, and this is built into the capitated payment. 	<ul style="list-style-type: none"> No change.
FFS Delivery System		
<ul style="list-style-type: none"> Pharmacy benefits that are billed on pharmacy claims. 	<ul style="list-style-type: none"> Are processed and adjudicated through eMedNY. 	<ul style="list-style-type: none"> These claims will be processed under FFS and paid through the eMedNY system
<ul style="list-style-type: none"> Pharmacy benefits that are billed on medical and institutional claims. 	<ul style="list-style-type: none"> Are processed and adjudicated through eMedNY. 	<ul style="list-style-type: none"> No change.

CHART #2

This chart provides an inventory of the NYS Medicaid's outpatient pharmacy benefit, and whether the benefit is subject to the carve-out and whether the managed care plans should also continue to make the benefit available when provided by a non-pharmacy provider.

Pharmacy Benefit Category	Sub-Category	Subject to the FFS Carve-Out? (Yes, No)	MCPs to make available when billed as a medical or institutional claim? (e.g. outpatient hospital, clinic, physician's office) *
Outpatient Prescription Drugs <i>included in</i> the Medicaid Pharmacy List of Reimbursable Drugs . (Includes Clotting Factor)	N/A	Yes	Yes (for drugs that are also practitioner/physician administered (i.e. J-Codes))
Practitioner/Physician Administered Drugs that are not included in the Medicaid Pharmacy List of Reimbursable Drugs .	N/A	No	Yes
Outpatient Over the Counter (OTC) Drugs <i>included in</i> the Medicaid Pharmacy List of Reimbursable Drugs .	N/A	Yes	No
Vaccines that can be administered by pharmacists**	N/A	Yes	Yes
COVID-19 Diagnostic Testing & Specimen Collection	N/A	Yes	Yes
Supplies as listed in the Pharmacy Procedures & Supply Codes , Manual and categorized below		Yes	No
<ul style="list-style-type: none"> Enteral & Parenteral Nutrition 	Enteral and Parenteral Nutrition Formula	Yes	No
	Enteral and Parenteral Feeding Supply Kit and Tubing	Yes	No
<ul style="list-style-type: none"> Family Planning 	Condoms and Diaphragms	Yes	No
<ul style="list-style-type: none"> Medical/Surgical Supplies 	Incontinence Care – Under Pads, Diapers, Liners, Catheters and Accessories	Yes	No
	Adhesive Tape/Remover	Yes	No
	Antiseptics	Yes	No
	Commode Accessories- Bed Pans, Urinals, Sitz Baths	Yes	No
	Breast Pumps (except rental of hospital grade pumps)	Yes	No
	Blood Pressure Monitors	Yes	No
	Canes/Crutches and Accessories	Yes	No
	Diabetic Diagnostics and Daily Care- Glucose Testing Supplies, Disposable Insulin Pumps (Omnipod), Continuous Glucose Monitor (CGM), Insulin Syringes, Needles, Pens, Infusion Supplies	Yes	No
	Mastectomy Care - Mastectomy Bras, Breast Prosthesis (except custom prosthesis), Camisoles	Yes	No
	Respiratory/Tracheostomy Care Supplies	Yes	No
	External Urinary Supplies - Drainage Bags and Urethral	Yes	No

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Pharmacy Benefit Category	Sub-Category	Subject to the FFS Carve-Out? (Yes, No)	MCPs to make available when billed as a medical or institutional claim? (e.g. outpatient hospital, clinic, physician's office) *
	Clamps		
	Ostomy Supplies	Yes	No
	Wound Dressings	Yes	No
	Syringes	Yes	No
	Gloves	Yes	No
	Heat Application/Thermometers/Cold Wraps	Yes	No
	Surgical Stockings, Slings, Splints, Cervical Foam Collars	Yes	No
	Plastic Strips, Sterile Wood Applicators, Spirometers, Nasal Aspirators	Yes	No
	Disposable Drug Delivery Systems	Yes	No
	Sterile Water, Saline, and Dextrose	Yes	No
<ul style="list-style-type: none"> Hearing Aid Batteries 	N/A	Yes	No
<p>Medical supplies dispensed during a Physician's Office visit and billed under CPT code 99070:</p> <ul style="list-style-type: none"> Supplies and materials provided by the physician over and above those usually included with the office visit or other services rendered. 	Examples are: crutches, boots or other starter medical supplies.	No	Yes
<p>Durable Medical Equipment, Prosthetics, Orthotics, and Supplies as listed in the Durable Medical Equipment, Prosthetics and Supplies Manual and categorized within Appendix A.</p>	N/A	No	Yes
<p>Low Protein Medical Foods (LPMF) billed by the medical provider under Ordered Ambulatory Procedure Code S9435.</p>	Medical food for inborn errors of metabolism	No	Yes

* For benefits marked as Yes, MCPs will continue to pay for these benefits for their members when they are not billed by pharmacies.

** New York State Education laws § 6527, 6801, and 6909 permit licensed pharmacists, who obtain an additional certification, to administer influenza vaccine to children between the ages of 2 and 18 years of age and to adults 18 years of age and older, and to administer pneumococcal, meningococcal, tetanus, diphtheria, pertussis and herpes zoster vaccinations to adults 18 years of age and older.

Appendix A

This appendix provides a list of Durable Medical Equipment (DME) supplies that are not subject to the carve-out and are found within the [Durable Medical Equipment, Prosthetics, Orthotics, Supplies and Procedure Codes and Coverage Guidelines](#). Within the Durable Medical Equipment, Prosthetics, Orthotics, Supplies and Procedure Codes and Coverage Guidelines, sections 4.1, 4.2, and 4.3 are subject to the carve-out while sections 4.4, 4.5, 4.6, and 4.7 will remain the responsibility of the Managed Care Plans. For convenience, the items that will not be subject to the carve-out are categorized and listed below. Please refer the Durable Medical Equipment, Prosthetics, Orthotics, Supplies and Procedure Codes and Coverage Guidelines for more specific guidance.

Medical/Surgical Supplies

- Hospital grade breast pump rentals

Durable Medical Equipment

- Hospital beds and accessories
- Oxygen systems
- Respiratory care supplies
- Ventilators and accessories
- CPAP/BiPAP devices and accessories
- Airway clearance devices and accessories
- Traction equipment
- Walkers
- Pediatric gait trainers
- Wheelchairs and accessories
- Powered mobility devices
- Power operated vehicles
- Miscellaneous Durable Medical Equipment:
 - Paraffin bath unit and wax
 - Apnea monitor and supplies- electrodes, lead wires
 - Replacement battery for external infusion pump
 - Commodes, bath/shower chairs, bathtub/toilet rails, raised toilet seats, tub stools/benches, transfer benches
 - Seat lift mechanisms
 - Automatic external defibrillator garment
 - Vacuum erection system
 - Artificial larynx, batteries, accessories
 - Tracheostomy speaking valve

- Tracheo-esophageal voice prosthesis and gelatin capsules, voice amplifier
- Insert for indwelling tracheoesophageal prosthesis (replacement only)
- Tracheoesophageal puncture dilator (replacement only)
- Enuresis alarm
- Phototherapy lights

- Home standing systems
- TENS devices (including electrodes, lead wires, batteries), osteogenesis stimulators
- IV poles, ambulatory infusion pumps
- External ambulatory infusion pump, insulin
- Parenteral infusion pumps
- Hyperbaric oxygen chambers, negative pressure wound therapy
- Speech generating devices, accessories, and repairs
- Eye control/eye gaze accessories
- Servicing, parts, and repairs of Durable Medical Equipment

Orthotics

- Orthotic devices, additions, procedures, and repairs

Prescription Footwear

- Orthopedic footwear, additions, transfers, and replacements
- Diabetic shoes, fitting, and modifications

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Prosthetics

- Prosthetics, procedures, and additions
- Breast and Hair prosthesis
 - Custom breast prosthesis and mastectomy sleeve (mastectomy bras, camisoles, and non-custom breast prostheses will transition to FFS)
- Upper extremity elastic supports
- Lower extremity compression supports
- Trusses
- Prosthetic Socks
- Burn garments