

**GIS 21 MA/05**

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

**FROM:** Amir Bassiri, Chief of Staff to the Medicaid Director  
Office of Health Insurance Programs

**SUBJECT:** Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-for-Service (FFS)

**EFFECTIVE DATE:** May 1, 2021

**CONTACT PERSON:** Medicaid Pharmacy Program  
(518) 486-3209

The purpose of this General Information System (GIS) message is to notify the Local Districts regarding the Transition (Carve-Out) of the Pharmacy Benefit from Managed Care to Fee-for-Service (FFS).

### **Pharmacy Benefit Changes**

The prescription drug benefit under the Medicaid Managed Care (MC) Program will be administered through the Medicaid Fee-for-Service (FFS) Pharmacy Program effective May 1, 2021. More information regarding the Medicaid Redesign Team (MRT) II Pharmacy Carve-Out may be found here:

[https://www.health.ny.gov/health\\_care/medicaid/redesign/mrt2/pharmacy\\_carve\\_out/](https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_carve_out/)

Medicaid members enrolled in mainstream MC plans, Health and Recovery Plans (HARPs) and HIV-Special Needs Plan (SNPs) will receive their pharmacy benefits through the Medicaid FFS Pharmacy Program. The Pharmacy Carve-Out does not apply to members enrolled in Managed Long-Term Care plans (e.g., MLTC, PACE and MAP), the Essential Plan, or Child Health Plus (CHP).

Beginning on May 1, 2021, impacted MC members may use their use their NYS Common Benefit Identification Card (CBIC) or their MC Health Plan Card to obtain pharmacy benefits. More information regarding how pharmacists can identify the Client identification Number (CIN) on either card, to submit claims to the Medicaid FFS program, can be found in the December Medicaid Update Special Edition at: [https://www.health.ny.gov/health\\_care/medicaid/program/update/2020/docs/mu\\_no17\\_dec20\\_speced.pdf](https://www.health.ny.gov/health_care/medicaid/program/update/2020/docs/mu_no17_dec20_speced.pdf) - go to *Information for Pharmacies* section. Members will receive letters, notifying them of this change, per the mailing schedule found here:

[https://health.ny.gov/health\\_care/medicaid/redesign/mrt2/pharmacy\\_carve\\_out/mailing\\_sched\\_member\\_chg\\_notice.htm](https://health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_carve_out/mailing_sched_member_chg_notice.htm). The letter that members will receive can be found here:

[https://health.ny.gov/health\\_care/medicaid/redesign/mrt2/pharmacy\\_carve\\_out/member\\_chg\\_notice.htm](https://health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_carve_out/member_chg_notice.htm)

Nearly all drugs currently covered by the MC plans will continue to be covered by the FFS program; however, some drugs may require prior authorization.

Pharmacy benefits will include:

- Prescription drugs and select over the counter (OTC) medications listed on the [Medicaid List of Reimbursable drugs found here: https://www.emedny.org/info/formfile.aspx](#)
- Insulin and diabetic supplies (e.g., insulin syringes, blood glucose test strips, lancets, alcohol swabs, continuous glucose monitors);
- Pharmacist-administered vaccines;
- Enteral and parenteral nutrition; and
- Family planning and medical/surgical supplies.

- ◆ Drug co-payments for MC members will not change. Copayments are \$1.00 for supplies and generic prescription drugs, \$0.50 for over-the-counter medications, and \$3.00 for brand-name prescription drugs. There is no co-payment for birth control drugs or drugs used to treat mental illness (psychotropic) and tuberculosis. Co-payment for brand medications in the Brand Less Than Generic Program (BLTG) are \$1.00.
- ◆ Prescriptions for MC members will be subject to Medicaid Preferred Drug program, the Clinical Drug Review Program, Mandatory Generic Drug Program, Brand Less Than Generic Program, Dose Optimization Program, and Preferred Diabetic Supply Program. Prescriptions will also be subject to all Medicaid program requirements, such as quantity limits.
- ◆ Information on the Medicaid Pharmacy Program may be found here: [https://www.health.ny.gov/health\\_care/medicaid/program/pharmacy.htm](https://www.health.ny.gov/health_care/medicaid/program/pharmacy.htm) or by calling (518)486-3209.

#### Restricted Recipient Program (RRP)

Members who are restricted prior to April 1, 2021 will remain restricted when the prescription drug benefit under the Medicaid Managed Care (MC) Program transitions to the Medicaid Fee-for-Service (FFS) Pharmacy Program.

OMIG and MC plans will continue to monitor members for fraud, waste, and abuse. MC plans will continue to restrict members and assign primary providers for plan-covered services. Any potential pharmacy restrictions for members impacted by the Pharmacy Carve-Out must be referred to the OMIG RRP. OMIG will review all pharmacy referrals and determine if a restriction is warranted for these members.

- ◆ MC plan-requested provider changes for plan-covered services will be communicated by the plan directly to OMIG before or at the time of the change. OMIG will make the changes in eMedNY and notify LDSS.
- ◆ Recipient requests to change pharmacy providers will be directed to LDSS. LDSS will make the changes in eMedNY.
- ◆ NYC-based recipients will continue to coordinate changes through Human Resources Administration (HRA). HRA will make the changes in eMedNY.