



**Department
of Health**

Office of
Health Insurance
Programs

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

Implementation Update & Strategy

July 13, 2020

Presentation Overview

- Project Overview
- Implementation Guiding Principles
- Stakeholder Engagement
- Key Deliverables/Timeline
- Resources

Project Overview

- Pursuant to the Enacted Budget for State Fiscal Year (SFY) 2020-2021, Medicaid pharmacy benefits will be transitioned from Managed Care to Fee for Service, beginning April 1 2021.
- The FFS Pharmacy Carve Out applies to all [Mainstream Managed Care plans](#), including HARP and HIV-SNP plans.
- The FFS Pharmacy Carve Out does not apply to Managed Long Term Care plans (e.g., PACE, MAP, MLTC) or the Essential Plan.
- The FFS Pharmacy Carve Out will not change the scope (i.e. copayments, covered drugs) of the existing Medicaid Pharmacy benefit in New York.

Project Overview (continued)

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

- 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.

Implementation Guiding Principles

- Ensure members are provided with continued access to needed medications and supplies with minimal impact.
 - *Comparison of FFS pharmacy claims and Medicaid Managed Care pharmacy encounters will inform our transition strategy.*
- Maintain communication with stakeholders (e.g. providers, patient advocates, and Managed Care Plans).
 - *Recurring stakeholder meetings*
 - *Pertinent information will be posted on the [Department of Health \(DOH\) website.](#)*
- Establish project management infrastructure and resources to ensure program and operational readiness.
- Utilize “post implementation” processes that ensure appropriate oversight, issue identification, tracking and resolution.

Stakeholder Engagement: Objectives

- All Stakeholder Meeting: DOH will provide implementation updates followed by a Question and Answer (Q&A) session.
- Technical Workgroup: DOH will lead targeted discussions regarding specific topics and issues that require clarification and resolution such as:
 - Roles and responsibilities between DOH and Medicaid Managed Care Plans
 - Scope of Benefits (which is/is not included in the carve-out)
 - Transition Strategy
 - Member & Provider Communications
 - Data Sharing
 - Model Contract Changes
 - Value Based Arrangements that interact with the Pharmacy Benefit
- 340B Advisory Group: DOH will lead 3 focused meetings.

Stakeholder Engagement: Process

Group	Purpose	Initial Frequency of Meetings
All Stakeholders	<ul style="list-style-type: none"> • The Department of Health (DOH) will lead and provide all interested stakeholders with implementation updates. • Q&A • Feedback will be incorporated into workplan, as needed. 	Once a Month
Technical Workgroup: State & Medicaid Managed Care Plans (Other subject matter experts will be included as needed, depending on the topic.)	<ul style="list-style-type: none"> • DOH will lead working sessions to address specific topics/issues related to the transition. • Q&A • Feedback to be incorporated into workplan as needed. 	Every Other Week
340B Advisory Group	<ul style="list-style-type: none"> • To provide non-binding recommendations regarding reimbursement of 340B claims. 	Three (3) Meetings scheduled during August and September 2020.

Stakeholder Engagement: 340B Advisory Group Members

The 340B Advisory Group is charged with providing non-binding recommendations by 10/1/20 on available methods of achieving savings on 340B drugs in the SFY beginning on April 1, 2021.

Members

- **Wendy Stark** – Executive Director of Callen-Lorde
- **Tucker Slingerland** – CEO of Hudson Headwaters Health Network
- **James Sinkoff** – CFO of Hudson River Health Care
- **Angela Langdon** – COO at Urban Health Plan
- **Michael Lee** – Vice President and COO at Evergreen Health Services (EHS)
- **Michele Steiner, PharmD** – Chief Pharmacy Officer at Neighborhood Health Center
- **Christian Oleck** – Vice President and CFO of Planned Parenthood of Central & Western NY, North Country and Upper Hudson
- **Curtis Haas, PharmD., FCCP** – Chief Pharmacy Officer at the University of Rochester Medicaid Center (URMC)
- **Larry McReynolds** – Clinical Associate Professor, Department of Population Health at NYU Langone
- **Danielle DiBari** – Senior Vice President of Business Operations and Chief Pharmacy Officer at NYC Health + Hospitals
- **Debra Barber, RPh** – Vice President of Managed Care Contracting and Payor Relations at Kinney Drugs
- **Steve Moore, PharmD** – Owner of Condo Pharmacy
- **Falguni Shah, RPh., MBA** – Medicaid Segment Director at Walgreens
- **Doug Wirth** – President and CEO of Amida Care Special Needs Plan
- **James Hopsicker RPh., MBA** – Vice President of Pharmacy at MVP Health Plan
- **Wahyan Connie Yuen** – Pharmacy Account Director at Empire BlueCross Blue Shield HealthPlus
- **Bhavesh Modi** – Vice President of Pharmacy at HealthFirst
- **Aron Weisskopf MPH, CPhT** – Pharmacy Director, C&S Medical Economics at United Healthcare

Key Deliverables/Timeline

Deliverable(s)	Target Date
Complete Work Plan & Establish State Transition Team & 340B Advisory Group	June 2020
Recurring Workgroup Calls with Health Plans & All Stakeholders begin	July 2020
Finalize Department of Health (DOH)/Managed Care Plan Roles & Scope of Benefits	September 2020
Notice of 1115 Waiver Amendment	September 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. Transition Strategy Finalized.	November 2020

Key Deliverables/Timeline (continued)

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 & Frequently Asked Questions posted to the DOH Web site	December 2020
Systems Stress Testing Performed	January 2021
Member & Provider Notifications sent & Second Special Edition Medicaid Update published	February 2021
Customer Service Staff Hired & 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

Resources

- Information regarding the transition of the pharmacy benefit from Managed Care to FFS will be posted at:
https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/
- Questions can be submitted to PPNO@health.ny.gov. Please write *Rx Carve-Out* in the subject line.