



Department
of Health

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

July 20, 2022

Pharmacy Benefit Transition

July 2022

Transition Overview

- Beginning April 1, 2023, Medicaid members enrolled in mainstream Managed Care (MC) plans, Health and Recovery Plans (HARPs), and HIV-Special Needs (SNPs) will receive their pharmacy benefits through the Medicaid Fee for Service (FFS) Pharmacy Program.
- The transition will not apply to members enrolled in Managed Long-Term Care plans (e.g., PACE, MAP, and MLTC), the Essential Plan, or Child Health Plus.
- The transition will not change the scope of benefits (e.g., copayments and covered drugs) of the existing Medicaid Pharmacy Benefit

Transition Overview (continued)

- Transitioning the pharmacy benefit from Managed Care to the FFS Program will result in:
 - **Increased Coverage and Access:** Members will have the same comprehensive drug coverage and equitable access to an extensive network of over 5,000 Medicaid pharmacy Providers
 - **Single Formulary for member regardless of Medicaid plan enrollment:** All members will be subject to the same coverage and utilization management protocols. Rather than tracking formularies from each MC plan, prescribers and pharmacy providers will only have to follow the single formulary which has automated and standardized utilization management protocols
 - **Transparency across drug pricing:** A centralized benefit will provide New York State with full visibility into prescription drug pricing, enhancing the State's contracting and negotiation power.

Scope of Benefits

- Provides additional context and information regarding the current and future state of NYS Medicaid's outpatient pharmacy benefit, as well as what is and is not subject to the transition effective April 1, 2023.

- The Scope of Benefits document as well as other resources, will be available within the Document Repository section of the Pharmacy Benefit Transition Website:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/repository/index.htm

July 2022

Version Updated – 7/11/2022

Pharmacy Benefit Transition: The following charts provide additional context and information related to the Department's transition of the pharmacy benefit services 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 transition; 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"> No change.
<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.

Claims and Prior Authorizations Processing Systems



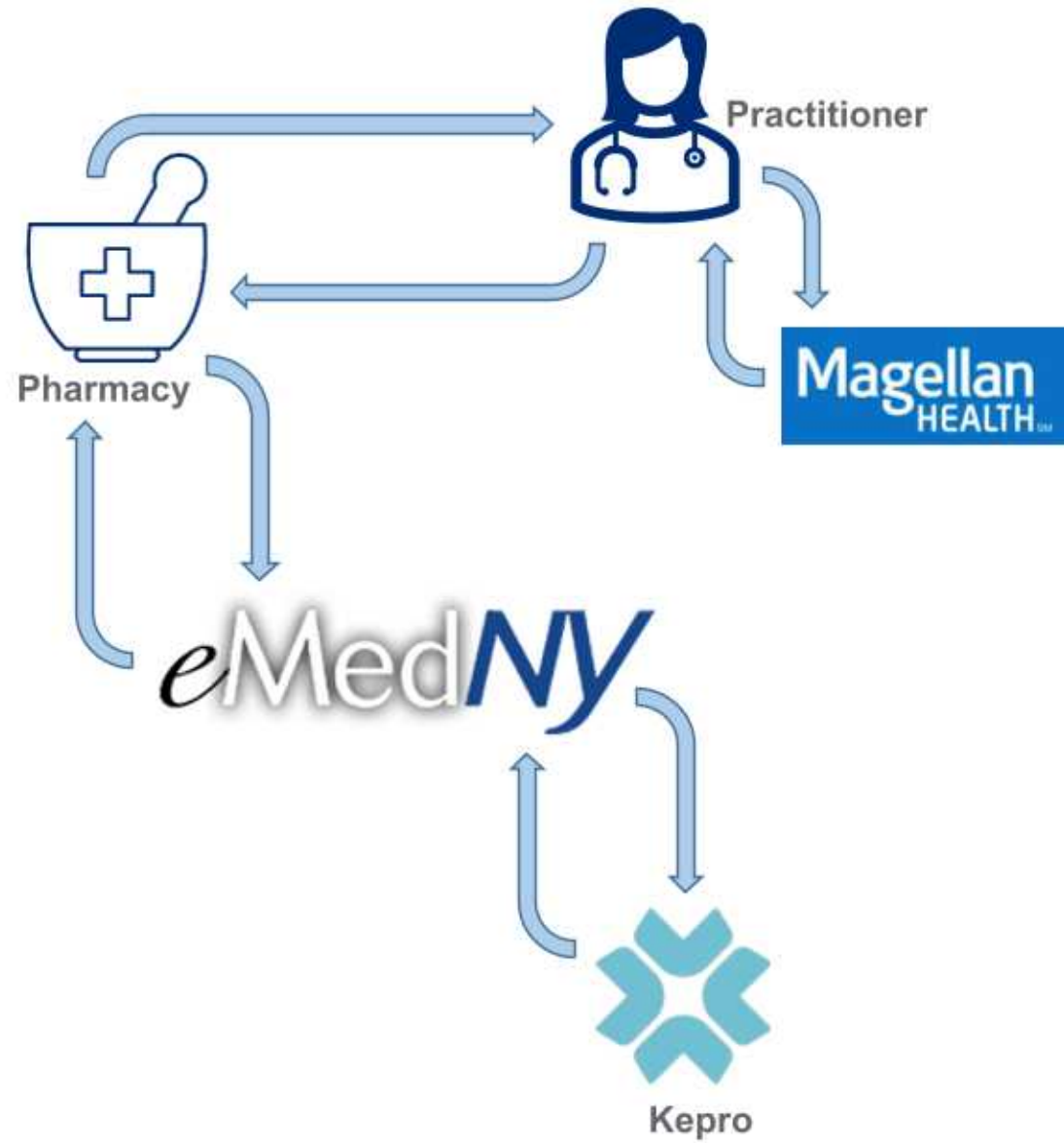
General Dynamics Information Technology (GDIT) operates eMedNY, the claims adjudication system used for over 20 years to pay providers for services rendered to New York Medicaid Fee for Service members.

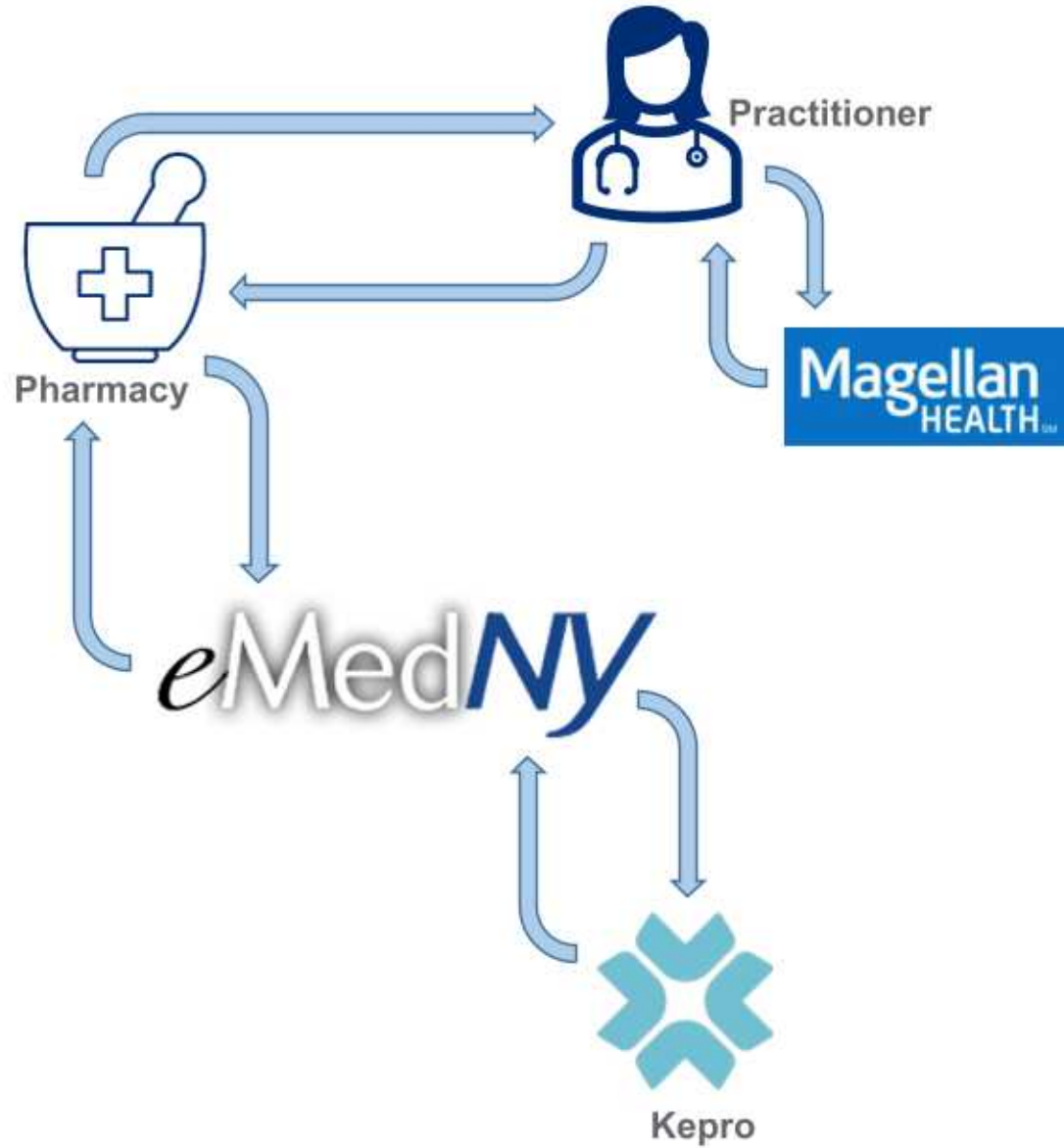


Kepro, a subcontractor to GDIT, operates a fully automated prior authorization adjudication system that handles pharmacy determination requests at point of sale.



Magellan operates a clinical call center that reviews prior authorization requests that fail the automated system.





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Beginning April 1, 2023, all Medicaid consumers enrolled in Mainstream Managed Care will receive their prescription drugs through the Medicaid Fee-For-Service (FFS) Pharmacy Program. The FFS Program allows New York State to pay pharmacies directly for the drugs and supplies of Medicaid consumers.

Prior to April 1, 2023, Mainstream Medicaid consumers accessed their pharmacy benefits through a health plan, rather than FFS. This includes anyone in Managed Care (MC) plans, Health and Recovery Plans (HARPs) and HIV-Special Needs Plans (HIV-SNPs). In this case, the state reimburses the health plan rather than the pharmacy.

Moving all Medicaid consumers under the FFS Pharmacy Program allows for a single, uniform list of covered drugs and standardized, consistent rules and regulations. Thus, New York State is able to offer an improved, simplified process for Medicaid consumers to get the medicines and supplies they need. Medicaid consumers have comprehensive drug coverage and equitable access to an extensive network of over 5,000 pharmacy providers.

This transition does not apply to Managed Long Term Care plans (e.g., PACE, MAP, MLTC) or the Essential Plan.

We are committed to providing effective communication in preparation of this change to all Medicaid consumers, pharmacies and providers.

Please see Navigation Bar to the left for more information, FAQs, guidance and resources.

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/repository/index.htm



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Resources



Website:

https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/pharmacy_transition/ 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 **Pharmacy Benefit Transition** in the subject line



DOH Medicaid Update:

https://www.health.ny.gov/health_care/medicaid/program/update/main.htm



MRT LISTSERV:

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



Questions?



Email: rxcarveout@health.ny.gov