MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
Medical Services Administration
Pharmacy Management Division

Michigan Department of Health & Human Services
RICK SNYDER, GOVERNOR
NICK LYON, DIRECTOR

Pharmacy Provider Liaison
Minutes From Meeting on July 18, 2015

Attendees

Ghada Abdallah, Park Pharmacy; Uzoma Anyanetu, Ferris State University; Rachael Bach, Walgreens; Jessica Burley, Rite Aid; Warren Deppong, University of Michigan; Bill Drake, Advanced Care Pharmacy; Rony Founia, Rite Aid; Diedra Garlock, Michigan Public Health Institute; Carrie Germain, HealthPlus; Jim Horton; Gita Kumar, Viiv Healthcare; Joe Leonard, Walgreens; JoAnn Mason, Meijer; Jim Mathews, Hometown Pharmacy; Ronald Melaragni, Sparrow; Brian Palmer, Michigan Pharmacists Association (MPA); Eric Roath, MPA; Rob Seffinger, Sav-Mor; Nick D'Isa, Jacob Kwasneski, Mark Reynolds, Michele Warstler, and Kim Sanders from the Office of Health Services Inspector General; Rajita Dnyate, Glenda England, Dick Miles, Christina Severin, Rita Subhedar, and Helen Walley, from the Michigan Department of Health and Human Services (MDHHS).

Update on Managed Care RFP

Rita Subhedar directed the attendees to the press release that was issued by MDHHS on April 1 which explained that the upcoming RFP allows for the continuation of the carve-in of pharmaceutical drugs, but also requires that contracted managed care organizations (MCOs) adhere to a common formulary. MDHHS is leading a workgroup with MCOs to design the common formulary. There will be one formulary across all contracted MCOs. This formulary will be separate from the Fee-for-Service formulary.

The final common formulary will be posted on MDHHS' website by January 1, 2016. The MCOs will have three months to code and test the formulary. Starting April 1, 2016, members will start to be transitioned to the common formulary. By October 1, 2016 all members will be transitioned to the common formulary.

Healthy Michigan Plan Update

Enrollment
As of Monday, June 15, 2015 total enrollment for the Healthy Michigan Plan was 592,655.

- 79.2% of those enrolled were in a Health Plan
- Over 80% of those enrolled had incomes below 100 percent of the federal poverty level

Second Waiver

The Michigan Department of Health and Human Services (MDHHS) is seeking approval from the federal government to modify the health care coverage program known as the Healthy Michigan Plan, as required by State law. Specifically, MCL 400.105d(20) directs MDHHS to seek a waiver that would allow individuals who are between 100% and 133% of the federal poverty level and have had Healthy Michigan Plan coverage for 48 cumulative months to choose one of the following options:

1. Purchase private insurance through the federal Marketplace (with eligibility for advanced premium tax credits and cost sharing reductions), or
2. Remain in the Healthy Michigan Plan with increased cost-sharing up to 7% of income. This option also includes an increase in enrollee contributions to 3.5% of income (with the opportunity for reductions).

The individuals described above who do not choose one of these options will remain in the Healthy Michigan Plan under option 2.

MDHHS must submit the waiver request to the federal government by September 1, 2015. Approval of this request would allow the State of Michigan to maintain coverage for the approximately 600,000 individuals currently enrolled in the program. If the waiver is neither submitted nor approved, the Healthy Michigan Plan would end on April 30, 2016.

In terms of the mechanisms for which the second waiver will be submitted, MDHHS is currently exploring two – the 1115 waiver option and the 1332 waiver option. The 1115 waiver option centers on amending the current 1115 waiver in place to allow the Healthy Michigan Plan to continue to provide coverage to the approximately 600,000 covered Michiganders. The 1332 waiver option may be needed to supplement the 1115 waiver, but MDHHS is working with the federal government to decide this. Ongoing talks with the federal government are in progress. More information on the second waiver, including the public notice, concept paper, and state law can be found on this webpage: http://www.michigan.gov/mdch/0,4612,7-132-2943_66797-355639--,00.html.

Update on MI Health Link

- MI Health Link is live in all four demonstration regions (Upper Peninsula, Southwest Michigan, Wayne County and Macomb County).
- Passive enrollment is complete in the Upper Peninsula and Southwest Michigan. Passive enrollment in Wayne County and Macomb County will begin July 1, with additional passive enrollment effective dates on August 1 and September 1.
- Approximately 2,061 opt-in beneficiaries as of June 15, 2015, and approximately 85,644 passively assigned beneficiaries.
- We have been informed of some pharmacies not recognizing beneficiaries as MI Health Link members when filling prescriptions. We are working through these issues with CMS and the ICOs. Pharmacies that do not see Medicare coverage for a beneficiary should bill LI NET, as recommended by CMS, to prevent access of care issues.
- Please view our website for helpful resources at www.michigan.gov/mihealthlink. The website is frequently updated. To view a list of the ICOs and their contact information, please go to

"Health Plan Websites and Phone Numbers" under "Spotlight" or http://michigan.gov/mdch/0,4612,7-132-2945_64077-354084--,00.html.

Policy Updates

MSA 15-08 allowing pharmacy providers to administer vaccines went into effect June 1. The list of vaccines eligible for administration to adult beneficiaries is on the PBM website. At a previous meeting a Liaison member asked about the training requirements for administering vaccines. The Department clarified in the final draft of the policy that training may be provided by a healthcare employer, a professional association, a public health government entity, or other sources. The training must at a minimum follow the vaccine administration guidelines as issued by the Centers for Disease Control and Prevention (CDC).

Bill Drake said that the fee to administer vaccines ($7 for injectable vaccines and $3 for oral vaccines) was too low, and that pharmacies do not receive the benefit of an office visit fee in addition to the administration fee as other provider types receive. Rita said that an amendment to the Medicaid state plan that was submitted to the Centers for Medicare and Medicaid Services (CMS) stated that this policy would be budget neutral. The state plan amendment has not been approved by CMS yet. Once the amendment is approved MDHHS may consider an increase to the vaccine administration fee, but this would require another amendment to the state plan.

MSA 15-15 on documentation requirements for pharmacy providers will go into effect July 1. Bill asked if purchase records relating to the claim but produced after the claim date was sufficient to meet the audit requirements. Vytas Ray stated that this would be acceptable.

MSA 15-19 on coverage of pharmacy claims for outpatient physician-administered injectable drugs was revised to apply only to mental health and substance abuse injectable drugs, and 17 Alpha Hydroxyprogesterone Caproate (17P and Makena). Rita reminded the attendees that these injectable drugs are not to be dispensed directly to the beneficiary, and that pharmacies should have internal processes in place to ensure that these drugs are delivered to the clinic and not to the beneficiary. This policy will be effective July 1.

Cost Sharing Policy

Christina Severin provided an update on a project required by CMS to implement cost-sharing limits for beneficiaries. The requirement limits cost-sharing to five percent of family income per household per quarter. This requires MDHHS to track services across providers and calculate whether a beneficiary has reached the cost-share limit. Helen Walley mentioned that this calculation will be done by the claims system, and the pharmacy provider will receive information on any copayment amount due through the Point-of-Sale system.

MAC Pricing Update

MDHHS' contract with Magellan states that two or more generic therapeutic equivalent products must be available for purchase by Michigan pharmacies in order for a MAC price to be established.

In May Magellan's MAC pricing team was instructed to take additional manual steps when establishing new MACs to provide a second validation of availability along with supporting documentation of those validations.

Bill said that he was recently made aware of a MAC rate being assigned to Clozapine that was far below the market rate. Rita said that she would work with Magellan to take a closer look at this MAC rate. Rita asked the attendees to notify MDCHPharmacyServices@michigan.gov when submitting MAC pricing review requests to Magellan.

Medicaid Budget Update

Dick Miles provided an update on the budget bill that was signed by the Governor on June 17th. The Michigan Medicaid program has a $14.6 billion budget and covers 2.4 million people. Michigan did not see a woodwork effect (individuals who were previously eligible, but not enrolled in Medicaid, newly sign up as a result of increased outreach and awareness) in traditional Medicaid as other states have experienced. A major part of the budget was the expansion of the Healthy Kids Dental program through Delta Dental in Wayne, Oakland and Kent counties. These children are covered through age 12; beneficiaries ages 13 and older are covered through the Fee-for-Service program. The Affordable Care Act included a primary care rate increase, which was funded through 2016.

The budget also included tiered cost-sharing with higher copays for beneficiaries in the Healthy Michigan Plan who are above 100% of the Federal Poverty Limit; the copays are $4 for generic drugs and $8 for brand drugs.

Open Discussion

Bill said that while other providers are receiving rate increases under the Affordable Care Act, the dispensing fee for pharmacy providers has remained constant for several years. Rita said that a dispensing fee survey is part of the proposed rule on Covered Outpatient Drugs that will be released by the federal government soon.

Next Meeting

September 24th, 2:30 – 4:30 in conference rooms E & F of Capitol Commons