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

Pharmacy Provider Liaison
Minutes From Meeting on September 24, 2015

Attendees

Bill Drake, Advanced Care Pharmacy; JoAnn Mason, Meijer; Eric Roath, Michigan Pharmacists Association; Rob Seffinger, Sav-Mor; Joe Leonard and Michele Davidson, Walgreens; Lynne Roberts, Indispensable Health; Ed Saleh, MedCart; Jose Saleh, Buenavida Pharmacy; Sharon Gruttadauria, CVS Health; Andrew Richner and Ashley Ligon, Clark Hill (representing Rite Aid); Joel Kurzman, National Association of Chain Drug Stores; Sherrill Bryant, Magellan; Jacob Kwasneski, Mark Reynolds, Michele Warstler, and Vytas Ray, Office of Inspector General; Trish O'Keefe, Kathy Stiffler, Jon Villasurda, Brant Cole, Vikki Goethals, Tina Villarreal, Glenda England, Helen Walley, Keelie Honsowitz, Sabato Caputo, Daniel Voss, Jerin Philip, Jay Seo, and Rita Subhedar, Michigan Department of Health and Human Services (MDHHS).

Healthy Michigan Plan Update

Jon Villasurda provided an update on the Healthy Michigan Plan. To date total enrollment for the Healthy Michigan Plan is 593,600 beneficiaries.

- 80% of those enrolled are in a Health Plan
- Over 80% of those enrolled have incomes below 100 percent of the federal poverty level

MDHHS is seeking approval from the federal government to modify the Healthy Michigan Plan program to 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 waiver request was submitted to the federal government. It is posted on the website Medicaid.gov for public comment until October 3rd.

MCO Common Formulary Project

Rita Subhedar provided an update on the MCO Common Formulary Project. In order to streamline drug coverage policies for Medicaid and Healthy Michigan Plan beneficiaries and providers, MDHHS has

decided to pursue a formulary that is common across all contracted health plans for the next Comprehensive Health Plan contract. A Common Formulary will better align coverage across health plans. The intent is to reduce interruptions in a beneficiary's drug therapy due to a change in health plan.

The Common Formulary also includes certain drug utilization management tools, such as prior authorization criteria and step therapies. Health plans may be less restrictive, but not more restrictive, than the coverage parameters of the Common Formulary.

MDHHS convened a Common Formulary Workgroup comprised of the pharmacy directors of each health plan. The Workgroup makes recommendations on drugs to be included on the Common Formulary as well as utilization management tools such as prior authorization and quantity limits. MDHHS retains final decision-making and approval authority on the Common Formulary.

The final version of the Common Formulary will be presented in a Stakeholder meeting on November 19th at the Lansing Community College West Campus Auditorium. Ongoing reviews of the Common Formulary will occur on a quarterly basis. During these reviews new medications that are FDA-approved will be evaluated after they have been available in the marketplace for at least six months.

The list of drugs that are currently covered under the Fee-for-Service benefit (i.e. drugs that are carved out) will remain unchanged.

Bill Drake said that the fact that drugs that are carved out were not on the draft Common Formulary caused some confusion among mental health providers. Kathy Stiffler said that the Department struggled with whether to include the carve out drugs on the Common Formulary since that may cause more confusion. Rita said that based on feedback received the Department will include the carve out drugs in the Common Formulary and explain their status in the formulary cover sheet.

Retroactive Eligibility

MDHHS sent letter L 15-48 to all providers dated August 27, 2015 addressing a systems issue which has affected the enrollment status of beneficiaries who receive medical and prescription coverage through Medicaid, HMP and Transitional Medical Assistance. As a result of this systems issue, beneficiaries who were previously identified as not covered on dates of service between January 2014 and March 2015 have been granted retroactive coverage for certain dates of service within this time frame. Beneficiaries affected by this issue will receive a notice from MDHHS which will identify the dates of service for which the beneficiary has now received retroactive coverage. Beneficiaries have been instructed to present this notice to any provider from whom they may have received services in the specified time frames. MDHHS' Pharmacy Benefits Manager Magellan will open the timely filing window to allow billing for dates of service between January 1, 2014 and April 1, 2016 to ease the claim resubmission process. Pharmacies should attempt to submit claims to MDHHS for payment and reimburse beneficiaries. If the pharmacy is unable to do so, pharmacy providers should send receipts of services paid out of pocket by the beneficiary during the retroactive enrollment timeframe to MDHHS so that they can submit a claim directly to MDHHS for consideration.

MI Health Link

Jerin Philip and Jay Seo provided an update on the MI Health Link program. There are about 4000 enrollees in the Upper Peninsula (Region 1), 8700 enrollees in the Southwest region (Region 4), 23,200

enrollees in Wayne County (Region 7) and 5,900 enrollees in Macomb county (Region 9). There is a total of 41,800 beneficiaries in the program.

Jerin asked those attendees participating in the Integrated Care Organizations for their experiences with the program so far. Bill said that there were problems on the program's processing of pharmacy claims. The program's help desks were not knowledgeable about pharmacy claims. It created a situation where some beneficiaries went without medications because the pharmacy was unable to submit the claims. Jerin said that he and Jay will work with their contract managers to investigate these issues. Jay asked pharmacy providers having difficulties with the program to submit the issues to IntegratedCare@michigan.gov.

Third Party Liability

Sabato Caputo provided an overview of the Department's Third Party Liability (TPL) process. MDHHS uses a comprehensive approach to ensure that Medicaid is the payer of last resort. MDHHS has created business partnerships with other payers to gain access to member roster data which allows the TPL Division to calculate much of the cost avoidance on the front end.

Sabato explained that post payment recovery occurs through two methods - provider takebacks on claims within 60 days for pharmacy (and 9 months for medical claims) and then subrogation billing for older claims. MDHHS allows 30 days before recouping payment from the provider. Bill said that the 30-day window is tight for pharmacies. Sam responded that one of the major reasons that MDHHS limits the response to 30 days is because TPL pulls claims 60 days from the date of service, and then allows the provider 30 days to correct the billing. This is a total of 90 days, which is typically the timely filing limit employed by insurance payers.

Pharmacies are able to resubmit the claim to Medicaid if the claim was reversed due to no response before the deadline, so long as the primary payer was adjudicated correctly per the void notice.

MDHHS has made some changes to improve the TPL process. The Department updated its Coordination of Benefits requirements to allow pharmacies to report the BIN/PCN as the Other Payer ID, rather than requiring pharmacies to report the MDHHS specific 8-digit Carrier ID reflected on the CHAMPS TPL Coverage File. It is anticipated this enhancement will streamline billing MDHHS secondary, especially in circumstances where the pharmacy is uncertain which 8-digit Carrier ID corresponds to the primary payer's Other Payer ID. In addition, MDHHS has an agreement with Blue Cross Blue Shield of Michigan and a pending agreement with Express Scripts and Medimpact to collect enrollment information and perform more of the cost avoidance on the front end.

Sharon Gruttadauria offered suggestions for further improving the TPL process, including:

- Provide timely access to accurate TPL information during the POS adjudication process
- Provide the TPL plan name within the Additional Information Message field (526-FQ) of the rejected claim response. The lack of the BIN and current use of the proprietary 8-digit other payer ID to identify the TPL plan is ineffective for pharmacy systems and staff. The presence of the plan name will allow the pharmacy to attempt to match the plan name to internal plan codes.

- Collaborate with the pharmacy providers in identifying additional Other Payer reject Codes (472-6E) that should not be allowed at POS
- Reject primary claims when Dual Eligibility status is determined, regardless of when the Medicare D TPL information is received. Use reject codes AE (Medicare) and AF (Managed Medicaid) in place of or in addition to 41.

Eric Roath said that the pharmacy provider community is willing to continue to work with MDHHS to make improvements with this process. Sabato said that the providers' suggestions will be taken into consideration.

Flu Vaccine Coding Update

The codes will be updated by October 6th.

Meetings in 2016

The Pharmacy Liaison meetings in 2016 will be on March 17, June 16, September 15, and December 8.

Next Meeting

The next Pharmacy Liaison meeting will be held on December 10th, 2:30 – 4:30 in conference rooms E & F of Capitol Commons.