



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

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

**Pharmacy Provider Liaison**  
**Minutes From Meeting on March 17, 2016**

**Attendees**

Ghada Abdallah and Nahida Akkary, Park Pharmacy; Bill Drake, Advanced Care Pharmacy; Jackie Morse and Holly VanLente, Meijer; Eric Roath and Eric Szydlowski, Michigan Pharmacists Association; Rob Seffinger and Yvonne Gallagher, Sav-Mor; Ashley Ligon, Clark Hill (representing Rite Aid); Joel Kurzman, National Association of Chain Drug Stores; Sherrill Bryant, Magellan; Amy Ellis, SpartanNash; Amy Drumm, Michigan Retailers Association; Amar Sappidi, Rite Aid; Jose Saleh, Arab-American Pharmacists Association; Eddie Abmieda, Ed Saleh, and Chris Zarecki, MedCart Specialty; Gina Johnson, Otsuka-Assure; Ron Melaragni, Sparrow; Jacob Kwasneski, Mark Reynolds, Michele Warstler, and Vytas Ray, Office of Inspector General; Trish O'Keefe, Pamela Diebolt, Brian Keisling, Rajita Dnyate, Vicki Goethals, Tina Villarreal, Glenda England, Helen Walley, Sabato Caputo, Linda VanCamp, Allison Repp, and Rita Subhedar, Michigan Department of Health and Human Services (MDHHS).

**Expanded Medicaid Eligibility for Flint Residents**

Pamela Diebolt provided an update on the 1115 Demonstration Waiver to respond to the public health emergency of lead exposure related to the Flint Water System that was approved by the Centers for Medicaid and Medicare Services (CMS) on March 3<sup>rd</sup>. The state will expand Medicaid coverage to children up to age 21 and to pregnant women with incomes up to and including 400 percent of the federal poverty level who were served by the Flint water system as early as April 2014. These beneficiaries will be exempt from cost sharing or premiums. Individuals with income over 400 percent of the federal poverty level will need to buy into the program in order to receive full Medicaid benefits. We are now working to implement changes to our eligibility systems in order to begin enrollment.

In addition to services included in the Medicaid State Plan, the Waiver will cover targeted case management services, which includes but is not limited to the following:

- Performance of a face-to-face comprehensive history, assessment, and reassessment of beneficiary's needs;
- Developing (and periodic revision of) an individualized Plan of Care, including goals and actions, that is based on the information collected through the comprehensive assessment;
- Referral and related activities to assist the beneficiary obtain needed services;
- Provision of ongoing communication with the beneficiary's primary care provider (PCP), other providers, and Medicaid Health Plan (MHP) as applicable;
- Evaluating compliance and success of the Plan of Care; and

- Monitoring and follow-up activities that are necessary to ensure the Plan of Care is implemented.

Additionally, CMS is working with Michigan to determine how lead abatement activities may be covered.

### **Medicaid Budget Update**

Brian Keisling provided an update on the Fiscal Year 2017 Medicaid Budget:

- Funding the Healthy Michigan Plan
  - Pursuant to Public Act 107 of 2015, Michigan was required to obtain a second waiver in order to maintain coverage for all beneficiaries enrolled in the Healthy Michigan Plan. The waiver was approved by CMS on December 17, 2015.
- Effective April 1, 2018, all individuals above 100% FPL, except those who are medically frail or newly enrolled, will have a choice:
  - Option 1: Attest to a healthy behavior and choose to continue Healthy Michigan Plan coverage or receive subsidized coverage through the federal marketplace
  - Option 2: Receive subsidized coverage through the Federal Marketplace
- Expanding the Healthy Kids Dental program to every county in the state
  - Funding was appropriated in FY 2016 to continue expansion of Healthy Kids Dental
  - Over 250,000 children birth to 12 are now covered in Kent, Oakland, and Wayne counties
  - 57% of continuously enrolled children are currently receiving an annual dental visit
- Specialty Pharmaceutical Coverage
  - 70% of the drugs currently in the FDA pipeline are specialty pharmaceuticals
  - In December, the MDHHS P&T Committee recommended Medicaid coverage for specialty pharmaceuticals to treat Hepatitis C and Cystic Fibrosis.
  - After a Legislative Transfer was approved in January, the Department began the development of coverage policies.
  - Coverage of these medications began on March 1.

### **MI Health Link**

Allison Repp provided an update on MI Health Link:

- Current MI Health Link enrollment:
  - Region 1 (Upper Peninsula) – 3,628
  - Region 4 (Southwest Michigan) – 7,575
  - Region 7 (Wayne County) – 17,449
  - Region 9 (Macomb County) – 3,883
- Total enrolled - 32,535
- Total eligible – 103,995 (31.3%)
- Ongoing passive enrollment underway
- Newly required provider insert document being sent with member welcome materials
- [www.michigan.gov/mihealthlink](http://www.michigan.gov/mihealthlink)
- Send questions to [IntegratedCare@michigan.gov](mailto:IntegratedCare@michigan.gov)

### **Third Party Liability**

Sabato Caputo provided an update from the Third Party Liability (TPL) Division. Medicaid TPL is now receiving and loading the Express Scripts member roster. As a result, the majority of claims included on the Pharmacy Claim Void report have the information required (BIN, PCN, Rx Group) to correctly resubmit the claims to the primary payer. TPL has noted that pharmacies are reporting a higher success rate in rebilling claims to the primary payer.

TPL is working with Medimpact to receive and load their member roster, TPL anticipates loading the BIN, PCN, and Rx Group for Medimpact members by May 2016.

### **Provider Enrollment Electronic Signature Form Submission Process**

As described in Provider Bulletin MSA 15-54 issued December 30, 2015, any provider wishing to appoint another person access to their CHAMPS information must submit an Electronic Signature Agreement form (DCH-1401) and the Electronic Signature Agreement form cover sheet (MDHHS-5405).

### **Updates From DUR Board Meeting**

- Reviewed academic detailing project on overutilization of benzodiazepines.
- Reviewed utilization for medications used to treat opioid addiction (buprenorphine and naltrexone)
- Reviewed utilization of Tramadol
- Future DUR projects may include reviewing utilization of diabetic drugs, asthma treatments, and drugs to treat hereditary angioedema. Also discussed the possibility of implementing a pain management referral system.

### **Updates From P&T Committee**

- Orkambi and Hep C drug therapies were added to the Medicaid Health Plan pharmacy carve-out list on March 1 and are paying as a point-of-sale FFS pharmacy benefit. Daklinza, Harvoni, Sovaldi, Technivie, and Viekira Pak are included on the PDL as preferred agents.
- Also added new drugs Entresto and Rexulti to PDL as preferred. Added Prestalia, Synjardy, Zecuity, and Zepatier as non-preferred; added Zarxio to MPPL with PA required.
- Reviewed cardiac and ophthalmic drug classes

### **MCO Common Formulary**

Trish O'Keefe provided an update on the Common Formulary. Starting as early as April 1, members who are taking a maintenance drug that is not on the Common Formulary will receive a notice from their

health plan on their options to obtain a PA or transition to a formulary drug. These members will receive a transition supply of the drug for 90 days. All beneficiaries enrolled in managed care will be transitioned to the Common Formulary By September 30, 2016. More information on the Common Formulary can be found at [www.michigan.gov/ManagedCare](http://www.michigan.gov/ManagedCare) >> Medicaid Health Plans >> Final MCO Common Formulary.

Yvonne Gallagher asked if the Department could share the letter that beneficiaries will receive about transitioning to the Common Formulary with pharmacy providers so that they are prepared to answer questions about it. Trish agreed and said that the beneficiary letter template will be shared with pharmacy providers.

### **Federal Rule on Covered Outpatient Drugs**

The final version of the Federal Rule on Covered Outpatient Drugs was published on February 1, 2016. It establishes actual acquisition cost (AAC) as the basis by which states should determine their ingredient cost reimbursement so payments are based on a more accurate estimate of the prices available in the marketplace, while still ensuring sufficient beneficiary access. It also implements the use of the term professional dispensing fee to ensure that the dispensing fee paid to pharmacies reflect the cost of the pharmacist's professional services and cost to dispense the drug product to a Medicaid beneficiary.

The Department is currently evaluating the budget impact and options for implementation that are provided in the Federal Rule. An implementation plan will be presented to Pharmacy Provider Liaison members at the next meeting.

**The next meeting will be on June 16, 2016 from 2:30 to 4:30 pm.**