



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 September 21st, 2017

Attendees

Chris Maksym, University of Michigan; Katie Wenstrom, Meijer; Sarah Kendzorski, Ferris; Anthony Codrean, Sav-Mor Drug Store; Joseph Leonard, Walgreens; Hanadi Thomas, Walgreens & Oakland County Pharmacists Association; Jim Mathews; John Gross, Gateway Pharmacy; Andrew Richner, Clark Hill/Rite Aid; Amy Ellis, SpartanNash; Amy Drumm, Michigan Retailers Association; Austin Pytlowawy, HomeMed; Eric Liu and Anthony Lewis, Michigan Pharmacists Association; Jim Horton, CUPM; Stacey Pearl, Sparrow Pharmacy Plus; Sharon Jackson, GlaxoSmithKline; Patrice Shook, Pharmacy Solutions; Ryan Martin, NovoNordisk; Gargey Bhatt, Genoa; Chelsea Seal, Cascade Hemophilia; Sherrill Bryant, Magellan; Helen Walley, Vicki Goethals, Tina Villarreal, Trish Bouck, Jackie Prokop, David Neff, Rajita Dnyate, Sabato Caputo, Linda VanCamp and Rita Subhedar, Michigan Department of Health and Human Services (MDHHS).

Healthy Michigan Plan Update

Jackie Prokop, Director of the Program and Policy Division, provided an update on the Healthy Michigan Plan Section 1115 Waiver. The waiver expires in December 2018. The renewal must be submitted by December 2017. The waiver extension request is posted for public comment at http://www.michigan.gov/mdhhs/0,5885,7-339-71547_2943_66797-448204--,00.html

Updates from MDHHS Drug Utilization Review Board

Chief Medical Director Dr. David Neff provided an update on the topics discussed during the Department's Drug Utilization Review Board meeting on September 21st. The Board reviewed utilization of Kalydeco and Orkambi, as well as Medication Assisted Treatment and concurrent narcotic use, and the impact of short acting narcotics.

Updates from P&T Committee

Dr. Neff also provided an overview of items discussed at the Department's P&T Committee meeting held on September 21st. The P&T Committee reviewed the diabetes, gastrointestinal, and miscellaneous drug classes.

State Plan Amendment Process

Following up on some questions received at the last Pharmacy Provider Liaison meeting, Policy Specialist Rita Subhedar provided an overview of the Department's State Plan Amendment process. A Medicaid State Plan is an agreement between a state and the Federal government describing how that state administers its Medicaid program. When a state is planning to make a change to its program policies or operational approach, states send state plan amendments (SPAs) to the Centers for Medicare and Medicaid Services (CMS) for review and approval. MDHHS submitted a SPA to CMS for approval on the changes to pharmacy claim reimbursement and the addition of MTM as a covered service. This SPA is posted on the Department's website at http://www.michigan.gov/mdhhs/0,5885,7-339-73970_5080-108153--,00.html. *Update: CMS approved this SPA on September 25, 2017.*

Level of Service Requirement for Emergency Services Only Beneficiaries

Pharmacy Services Section Manager Helen Walley provided an update on the Level of Service requirement for Emergency Services Only (ESO) beneficiaries. Effective October 1, 2017 any claims submitted for a beneficiary with ESO coverage must be submitted with a level of service 03 (NCPDP Field 418-DI) to attest that the service is related to an emergent condition. Claims submitted with an invalid or missing level of service identifier will deny with NCPDP reject 32 - M/I Level of Service. Prior authorization must be obtained for any service/drug for ESO beneficiaries that do not contain the appropriate level of service identifier.

NCPDP Standard Reject Code for Carved-Out Drugs

Pharmacy Management Division Director Trish Bouck announced that starting October 15th, Medicaid Health Plans will use NCPDP Reject Code 831 for carved out drugs covered under Fee-for-Service.

Claim Reversals and Resubmissions

Joe Leonard asked about the letter that many pharmacies received from the Department's Pharmacy Benefits Manager Magellan regarding claims that paid in error and should have been submitted to the beneficiary's Medicaid Health Plan. A coding issue was discovered that allowed claims to pay incorrectly for health plan members for drugs that are not on the Health Plan Carve Out List. Claims that should have been submitted to a Medicaid Health Plan were paid by Fee-for-Service Medicaid between June 14 and June 20, 2017. Trish responded that the Department is working with the Medicaid Health Plans to make exceptions to their timely filing limits in order to allow pharmacies to submit these claims.

Naloxone Standing Order

Information on the Standing Order issued by Chief Medical Executive Dr. Eden Wells to provide naloxone is available at Michigan.gov/naloxone. This site also includes a list and a map of pharmacies approved to dispense naloxone under the standing order.

Eric Liu asked whether the Department has pulled statistics on naloxone claims since the standing order went into effect. Rita responded that she will present this information at the next Liaison meeting.

National Average Drug Acquisition Cost (NADAC) Help Desk Overview

Provider inquiries regarding the NADAC are investigated and evaluated by a team of certified pharmacy technicians, analysts and pharmacists. Reviews are based upon invoice data collected from the pharmacy initiating the review, additional pharmacies contacted by the Help Desk, and other market factors, such as compendia price changes and drug shortages. NADACs will be adjusted when drug pricing changes have been substantiated and those adjustments will be reflected in the NADAC rate updates published on a weekly basis. If a provider's invoice costs are within the range of invoice costs utilized to establish the current NADAC rate, and the rate is still supported with the most recent cost observations and research, then the current NADAC will remain unchanged.

The NADAC Help Desk received 1,500 pharmacy provider calls from April – June 2017. The NDCs submitted for the NADAC rate inquiries represented 2.79% of paid NDCs by FFS state Medicaid program based upon available CMS National Utilization Data for 2016. Of the pharmacies submitting rate inquiries, approximately 60% of those pharmacies were included in a monthly NADAC survey during 2016 but only 35% responded to the survey request.

If recent drug price changes are not reflected in posted NADAC files, pharmacy providers may notify the NADAC Help Desk:

Toll-Free: (855) 457-5264

E-Mail: info@mslcrps.com

Fax: (844) 860-0236

Rita asked all pharmacy providers to contact the NADAC Help Desk when these issues arise. If the issue is not resolved after contacting the NADAC Help Desk, send the information to the Department's Pharmacy Operations Email at MDHHSPharmacyServices@michigan.gov. This information will be helpful to the Department when discussing the NADAC with CMS.

Medication Therapy Management

As of September 21, 2017 there are 129 pharmacists enrolled as Medication Therapy Management (MTM) providers. 15 of those pharmacists have submitted claims, and there are 86 paid MTM claims.

The materials from the MTM Virtual Training on May 15, 2017, including the PowerPoint presentation slides and Q&A, are available at Michigan.gov/MedicaidProviders >> Medicaid Alerts >> Provider Tips.

For questions regarding MTM enrollment, contact ProviderEnrollment@michigan.gov. For questions regarding submitting claims, contact ProviderSupport@michigan.gov or 1-800-292-2550.

Medicaid Health Plans

Prior to the meeting, some pharmacy providers asked about reimbursement rates from the Medicaid Health Plans. The Department does not regulate the health plans' provider reimbursement rates – these rates are established through an agreement between the health plan and provider.

A pharmacy provider in attendance at the meeting shared that the health plans' reimbursement rates are unsustainable for his pharmacy, but he feels pressured to continue his contract with the health plan since his pharmacy is one of only three pharmacies in the county that will serve the health plan's members, and terminating the contract may cause an access issue. Trish responded that the Department will review the comments submitted by this pharmacy and others regarding reimbursement from the health plans, as the Department takes any potential access to care issues very seriously.

The Department's requirements regarding Medicaid Health Plans' coverage of services are outlined in the Sample Health Plan Contract, available at Michigan.gov/ManagedCare >> Medicaid Health Plans.

Rita announced that the next Medicaid Health Plan Common Formulary Stakeholder Meeting will be on October 9th from 9:30 am – 12 noon at Lansing Community College West Campus Auditorium. The purpose of the stakeholder meeting is to provide an in-person forum for the public to comment on the Common Formulary. More information on the Common Formulary can be found at Michigan.gov/MCOpharmacy.

The next meeting will be on December 14th, 2017.

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