



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 29, 2018

Attendees

Chris Stanfield, Supernus; Samantha Williams, DK Pierce; John Gross, Gateway Pharmacy; Stacey Pearl, Sparrow; Amy Ellis, SpartanNash; Tim Mallett, Forest Community Pharmacy; Brett Gingrich, Cherry Health; Carmen Docter, Mercy Health; Chelsea Seal, Cascade Hemophilia; Eleni Butzin, Meijer; Lindsay Sailor, Michigan Primary Care Association; Sarah Cook, Michigan Government Strategy Consultants; Eric Liu, Michigan Pharmacists Association; Helen Walley, Vicki Goethals, Tina Villarreal, Donna Kreps, Michael Melvin, David Neff, Rajita Dnyate, Brian Keisling, Craig Boyce, Heather Slawinski and Rita Subhedar, Michigan Department of Health and Human Services (MDHHS).

Introduction

Rita Subhedar thanked all for coming to the first Pharmacy Provider Liaison meeting of 2018. Rita announced that the MDHHS Pharmacy Management Division Director Trish Bouck would not be joining us as she is out of the office. Everyone went around the room and introduced themselves.

Managed Care Reimbursement

This topic was requested by John Gross. Several pharmacies have raised concerns about Medicaid Managed Care pharmacy reimbursement. John has helped the Department understand issue a little bit more fully. Rita turned it over to John to explain the issues.

John owns three independent pharmacies in Clare County. He explained that the pricing methodology that the Medicaid Health Plans use for pharmacy claim reimbursement is less than his pharmacies' cost to dispense a prescription. Brian Keisling asked John if he had seen a change in reimbursement from the Medicaid Health Plans since the changes to Fee-for-Service pharmacy reimbursement went into effect on April 1, 2017. John responded that there have been some reductions in reimbursement from certain Medicaid Health Plans after the Fee-for-Service reimbursement changes went into effect. John said he is just looking to get paid for his pharmacy's cost to dispense the drug.

Rita had added that one of the ways the Department is addressing this issue is by proposing language in the draft Fiscal Year 2019 Comprehensive Health Plan Contract to prohibit the practice of spread pricing. Under this practice, a health plan's Pharmacy Benefits Manager (PBM) charges a health plan much more than the PBM pays the pharmacy for filling a prescription. This proposed language prohibiting spread

pricing is currently being reviewed by the health plans. Heather Slawinski added that the contract is in draft form and the goal is to finalize the contract language by July.

Heather said that the Department wants the pharmacy provider community to know that they are aware of the concerns. Heather and others at MDHHS have been discussing this issue with the health plans.

John shared that when it comes to a particular health plan, his pharmacies know that if someone walks in the door with a prescription and has that plan, they will lose money on filling that prescription. Increased transparency in the pharmacy claim reimbursement process will help the Department understand what pharmacies are being reimbursed for claims from health plans.

Rita thanked John for educating the Department on this issue, and let everyone know that the Department is having extensive discussions on this internally and with the health plans.

MSA 18-05 – MI Marketplace Option and Healthy Michigan Plan (HMP) Updates

Craig Boyce provided a summary of this major change in policy. A select population of HMP beneficiaries will be required to transition to the MI Marketplace Option if they have not completed a healthy behavior, and meet certain other criteria described in Provider Bulletin [MSA 18-05](#). Beneficiaries still have time to complete a healthy behavior if they have not done so already.

Plans available under the MI Marketplace Option may have drug formularies and coverage policies that differ from those under HMP. More information can be found on the website Michigan.gov/MIMarketplaceOption.

Participating MI Marketplace Option health plan network providers must bill the MI Marketplace Option health plan for family planning services and supplies. MDHHS will provide coverage for family planning services and supplies from any Medicaid enrolled provider outside of the MI Marketplace Option health plan network. If the pharmacy submits a claim to the Qualified Health Plan and receives an NCPDP rejection code 40 (Pharmacy not contracted on date of service), the pharmacy can submit the claim to the Medicaid Fee-for-Service Pharmacy Benefits Manager (Magellan) using the Other Coverage Code of 3 (Other coverage exists) and including the NCPDP reject code 40 in the Coordination of Benefits (COB) segment.

John asked how beneficiaries will be notified that they are transitioning to the marketplace. Craig responded that starting May 1, eligible beneficiaries will receive a letter with a list of health plans available to choose from. If the beneficiary does not select a health plan, it will be automatically assigned.

Rita thanked Craig for speaking to this.

MSA 18-02 – Update to the Coverage of Physician-Administered Drugs and Biological Products

Rita announced that Rajita Dynate will speak to this policy. Rajita explained that MDHHS will maintain a list of specific Medicaid program covered physician-administered drugs and biological products that are not covered by Michigan MHPs. This list of physician-administered drugs and biological products, carved out from MHP coverage, will be reimbursed as a Fee-for-Service (FFS) benefit for all beneficiaries in FFS and for those enrolled in an MHP. This policy does not change the policy on physician-administered drugs dispensed in a pharmacy outlined in Provider Bulletin [MSA 15-19](#) and the Pharmacy chapter of the [MDHHS Medicaid Provider Manual](#).

Rita thanked Rajita for speaking on this.

L 18-07 – Pharmacy-Based Services Covered by Michigan Medicaid to Address the Prevention of Hepatitis A Virus Infections

MDHHS and public health officials are continuing to see an elevated number of Hepatitis A cases in Southeast Michigan and other areas of the state. This letter was requested from our partners in the Population Health Administration to encourage pharmacies to administer the Hepatitis A vaccine. Medicaid Fee-for-Service and Medicaid Health Plans cover pharmacist administration of the Hepatitis A vaccine. In addition, Counseling on the prevention of contracting Hepatitis A may be billed as a Medication Therapy Management (MTM) service.

Since this letter was sent to pharmacy providers on February 14, there have been 244 pharmacy claims for this vaccine.

Eric Liu asked whether a beneficiary is eligible for an additional MTM service to receive counseling for preventing Hepatitis A and receiving the vaccine, if the beneficiary already received an MTM service this year. Rita answered that beneficiaries are eligible for up to seven follow-up MTM services in a 365-day period, provided all other requirements outlined in the Medicaid Provider Manual are met. If a beneficiary has received an initial MTM service and requires counseling for the prevention of contracting Hepatitis A, the pharmacist can submit a claim for a follow-up MTM service and include the diagnosis code for viral hepatitis.

Tim Mallett asked if the vaccine is currently available, since there was a shortage of the vaccine late last year. Amy Ellis responded that there is no longer a shortage of the vaccine.

MSA 18-07 – Managed Care Network Provider Enrollment in CHAMPS

MDHHS has extended the implementation date of March 1, 2018, for prohibiting Managed Care Organizations (MCO) from making payments to pharmacies not enrolled in the Community Health

Automated Medicaid Processing System (CHAMPS). MDHHS has also extended the implementation date of May 1, 2018 for prohibiting both Fee-for-Service and MCO payment for prescription drug claims written by a prescriber who is not enrolled in CHAMPS. MDHHS plans to announce new implementation dates in the future. Therefore, despite these delays, MDHHS continues to encourage providers to enroll in CHAMPS as soon as possible. For more information about the provider enrollment requirement, see Provider Bulletins [MSA 17-48](#) and [18-07](#). Pharmacies and other providers that have not yet enrolled in CHAMPS can find more information on the process at Michigan.gov/MedicaidProviders >> [Provider Enrollment](#). To verify whether a pharmacy or prescriber is enrolled, follow the directions located here: http://www.michigan.gov/documents/mdhhs/Internet_Workgroup_-_Provider_Verification_Tool_Guide_Professional_Tips_532686_7.pdf

Updates from Pharmacy & Therapeutics Committee

Dr. David Neff provided an update on the topics discussed at the last MDHHS Pharmacy & Therapeutics Committee meeting on March 13th. The Committee reviewed the following new drugs:

- Armonair Respiclick (fluticasone)
- QVAR Redihaler (beclomethasone dipropionate)
- Trelegy Ellipta (fluticasone/umeclidinium/vilanterol)
- Arymo ER (morphine sulfate) tablet
- Baxdela (delafloxacin meglumine) tablet
- Benznidazole tablet
- CaroSpir (spiro lactone) suspension
- Cotempla XR-ODT (methylphenidate) tablets
- Duzallo (lesinurad/allopurinol) tablet
- Endari (L-glutamine) oral powder
- Fiasp (insulin aspart) injection
- Gocovri (amantadine) extended-release capsules
- Nityr (nitisinone) tablet
- Symproic (naldemedine tosylate)

The Committee also reviewed the Cardiovascular and Ophthalmic drug classes.

Updates from MDHHS Drug Utilization Review Board

Dr. Neff also provided an update on the topics discussed at the MDHHS Drug Utilization Board meeting on March 13th. The Department provided a legislative update, and then the Board reviewed antibiotics, MAT providers, short-acting narcotics, concurrent utilization of narcotics, benzodiazepines and muscle relaxants, influenza vaccine and Restasis.

Budget Fiscal Year 2018-2019 Savings Through Increased Rebates on Specialty Pharmaceuticals

Rita said this was requested as agenda item by a couple people. MDHHS estimates that the following will result in approximately \$5 million in savings for Fiscal Year 2018-2019:

- moving certain drugs within the protected classes to non-preferred status to leverage larger supplemental rebates, and
- implementing future recommendations from a workgroup that will be developed to look at best practices and develop protocols for psychotropic medications

Note that the changes of certain drugs to non-preferred status will not result in a change to prior authorization policy – protected classes of behavioral health drugs will continue to be exempt from prior authorization requirements under MCL 400.109h.

Open Discussion

Regarding the issue of reimbursement from certain Medicaid Health Plans, Rita mentioned that the Department encourages pharmacies to work together and with their supporting associations to request legislative changes to address their network limitations and reimbursement concerns for purposes of improving quality outcomes and eliminating access concerns.

Rita thanked everyone for attending.

Next Meeting

The next meeting has been rescheduled to **Friday June 8th, from 10 am – 12 noon.**