

Ohio Medicaid Next Generation Pharmacy Program

March 11, 2022

ODM Acronyms

- PPAC – Pharmacy Pricing and Audit Consultant
- SPBM – Single Pharmacy Benefit Manager
- PAHP – Prepaid Ambulatory Health Plan
- OAAC – Ohio Average Acquisition Cost
- NADAC – National Average Drug Acquisition Cost
- WAC – Wholesale Acquisition Cost
- PAD – Provider Administered Drugs
- EQRO – External Quality Review Organization
- SIU – Special Investigative Unit
- EOB – Explanation of Benefits
- DIR – Direct and Indirect Remuneration
- SMAC – State Maximum Allowable Cost

SPBM Overview

Background

Moving to a single pharmacy benefit manager that partners with Ohio Medicaid **will improve management and administration of pharmacy benefits for our members participating through an MCO**. This is another important step in providing quality care for our members, transparency in operations, and responsible stewardship of Ohio taxpayer dollars.

Approach:

Unbundle the current MCO relationships with separate PBMs, and structure the program as a specialized managed care health plan functioning as a PBM that incentivizes patient wellness and health outcomes.

Goals:

Ensure transparency, accountability, and overall program integrity to better serve the Ohio Medicaid members and facilitate improved administrative processes for providers.

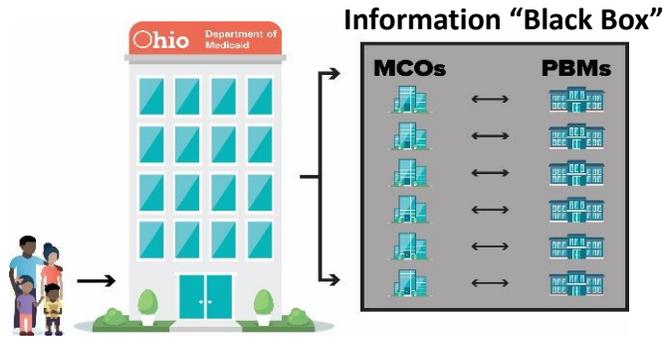
SPBM: Greater Accountability and Transparency



- SPBM will be contracting directly with ODM.
- ODM will have the ability to require predictable and fair pharmacy reimbursements and networks
- ODM will have the tools to ensure the managed care pharmacy benefit is aligned to support integration with clinical services and provide true transparency
- New structure will have checks and balances to prevent conflicts of interest

Single Pharmacy Benefit Manager

Today's Managed Care Program



The Next Generation of Managed Care



WHO IS RESPONSIBLE?

- Pharmacy reimbursement and benefit design
- Pharmacy benefits manager oversight and auditing
- Pharmacy network management (retail and specialty)
- Prescriber (physician) provider services
- Pharmacy provider services
- Member services
- Utilization management
- Claims adjudication and payment
- Systems and technology
- Data warehouse, analytics and reporting
- Unified preferred drug list (UPDL)
- Federal and state supplemental drug rebate processing
- Clinical programs (MTM, care coordination, etc.)

	OHIO MEDICAID		
MCO	ODM	SPBM	PPAC
Pharmacy reimbursement and benefit design			■
Pharmacy benefits manager oversight and auditing			■
Pharmacy network management (retail and specialty)	■	■	
Prescriber (physician) provider services		■	
Pharmacy provider services		■	
Member services		■	
Utilization management		■	
Claims adjudication and payment		■	
Systems and technology		■	
Data warehouse, analytics and reporting		■	
Unified preferred drug list (UPDL)	● ■		
Federal and state supplemental drug rebate processing	● ■		
Clinical programs (MTM, care coordination, etc.)	● ■		

● Responsible currently
 ■ Responsible moving forward

SPBM Functions



New Single Pharmacy Benefit Manager

The SPBM will consolidate the processing of retail pharmacy benefits and maintain a pharmacy claims system that will integrate with the Ohio Medicaid Enterprise System (OMES), new MCOs, pharmacies, and prescribers.



Ensure Member Access to Medications

The SPBM will work with pharmacies to ensure:

- More pharmacy choices
- Fewer out-of-network restrictions
- Consistent pharmacy benefits for all managed care members



Implement Improved Pharmacist and Prescriber Processes

Pharmacists and Prescribers will see benefits from the SPBM model:

- Streamlined processes
- Only need to work with one PBM rather than multiple contracted PBMs
- Streamline inventory based on a consistent and transparent preferred drug list.



Support New Pharmacy Model

The PPAC will provide services to ODM to support the new pharmacy business model by:

- Eliminating the “Information Black Box” between ODM and current MCOs and their PBMs
- Providing consultation services to explore best practices



Pharmacy Reimbursement and Benefit Design

The PPAC will support pharmacy reimbursement and benefit design by:

- Conducting Ohio Average Acquisition Cost (OAAC) surveys to develop a fair and transparent pricing model
- Assisting in development of value based dispensing fees



Pharmacy Program Oversight and Auditing

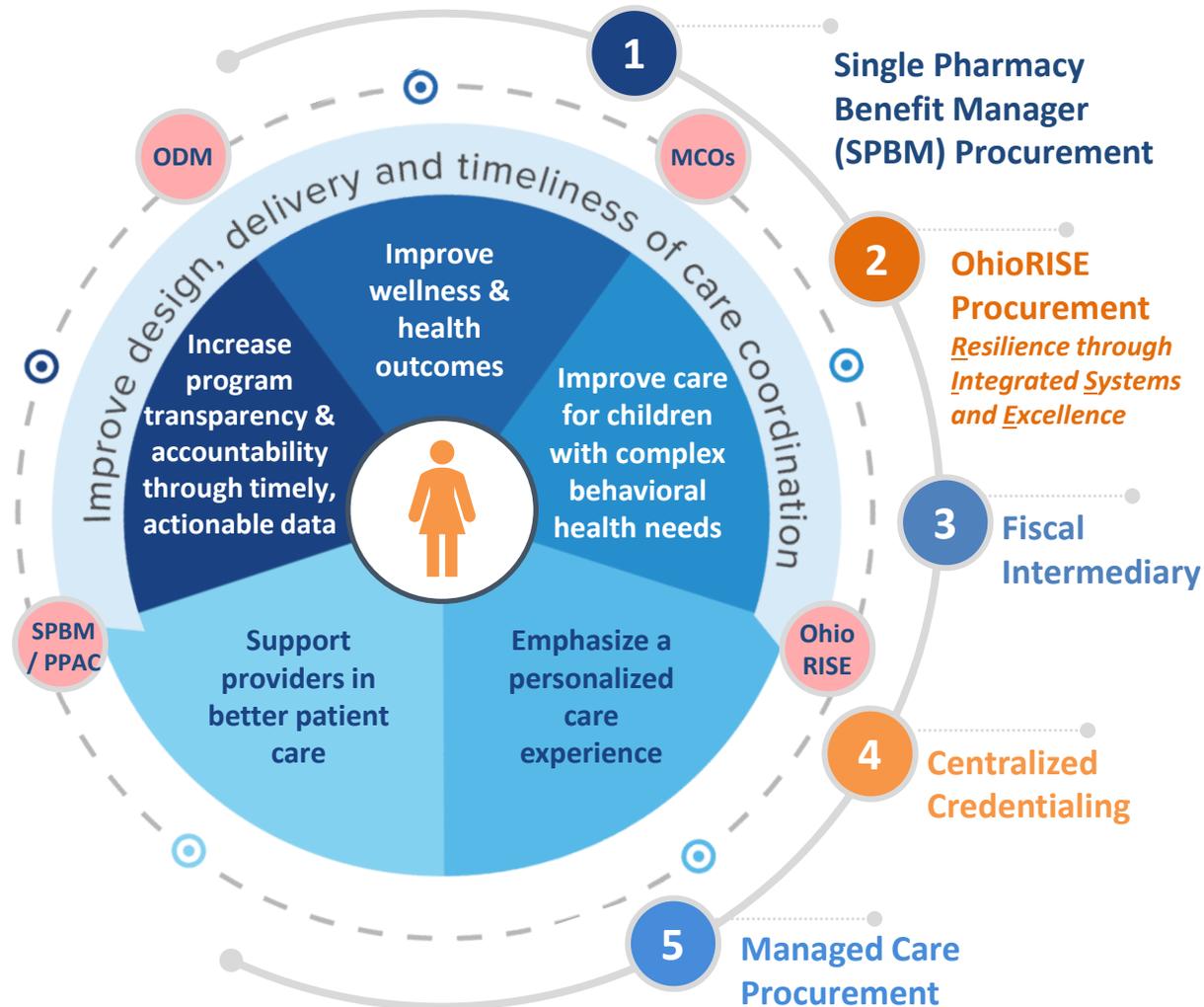
The PPAC will provide oversight by:

- Prohibiting any steering to related pharmacies by the SPBM
- Support ODM by conducting audits of the SPBM
- Ensuring the SPBM does not receive unallowable rebates, refunds, clawbacks, or payments



“Next Generation” of Managed Care in Ohio

The focus is on the individual with strong coordination and partnership among MCOs, vendors & ODM to support specialization in addressing critical needs.



SPBM Requirements

- Management of Pharmacy benefit for Medicaid Managed Care (not including MyCare)
 - » Claims processing
 - » Utilization management
 - » Finance management
 - » Customer service center
 - » Claims review and clinical quality
- Prepaid Ambulatory Health Plan (PAHP)
- OMES Integration
- CMS Certification

ODM is responsible for oversight of SPBM (requirements, SLAs, KPIs), in collaboration with PPAC.

PPAC Overview

PPAC Contractor

- Myers and Stauffer LC was awarded the PPAC (Pharmacy Pricing and Audit Consultant, formerly Pharmacy Operational Support Vendor, POSV) contract through a competitive procurement process
- The firm brings more than 40 years of pharmacy management experience and has conducted more than 100 pharmacy cost of dispensing survey projects in more than 30 states.
- Provides complex data analysis, fiscal modeling, and rate setting services for pharmacy programs across the country.
- Myers and Stauffer is the sole contractor to the Centers for Medicare and Medicaid Services for the development and maintenance of the National Average Drug Acquisition Cost (NADAC) pricing benchmark – a tool to assist states in responding to the quickly changing prescription drug environment.

PPAC Scope of Work

- Ohio Average Acquisition Cost (OAAC) Program
 - » Semiannual survey of Pharmacy Providers
 - » Development of OAAC rates
 - » Pharmacy program fiscal analysis
- Oversight and Auditing of SPBM and FFS Pharmacy Benefit Administrator
 - » Claims review – concurrent and retrospective
 - » Rebate Reviews
 - » Prior Authorization/Utilization management review
 - » 340B reviews, MCO PAD review, Mental Health Parity review

PPAC Scope of Work (continued)

- Cost of Dispensing Survey
 - » Fee-for-Service Professional Dispensing Fees, next survey 2022
- Consulting
 - » SPBM Dispensing Fee and Ingredient Cost reimbursement methodology
 - » Channel Management, Specialty Pharmacy Policy

Agenda

- Introductions
- PAHP Overview
- Contract Overview

Prepaid Ambulatory Health Plans

PAHP History

2002: Final MCD Managed Care Rule created 4 categories:

- MCO
- PCCM
- Prepaid Inpatient Health Plans
- Prepaid Ambulatory Health Plans (ex. dental, transportation, pharmacy)

These differentiations were made based on:

- Financial risk
- Contractual obligations
- Scope of services
- Capitation rates

PAHP Definition

An entity that provides medical services to enrollees

- Under contract with the state agency, payment arrangements do not use state plan payment rates;
- Does not provide or arrange for any inpatient hospital or institutional services;
- Does not have a comprehensive risk contract*; and
- Can enter into a risk contract

*Comprehensive risk contract means a risk contract between the State and an MCO that covers comprehensive services, that is, inpatient hospital services and any of the following services, or any three or more of the following services: outpatient hospital services, rural health clinic services, FQHC services, lab & X-ray services, nursing facility services, early and periodic screening, diagnostic, and treatment (EPSDT) services, family planning services, physician services, and/or home health services.

Prepaid Ambulatory Health Plan (PAHP)

- Comply with 42 CFR 438
 - » General provisions
 - » State responsibilities
 - » Enrollee rights and protections
 - » PAHP standards
 - » Quality measurement and improvement / External quality reviews
 - » Grievance and appeal systems
 - » Program integrity
 - » Sanctions
 - » Conditions for federal financial participation
 - » Parity in mental health and substance use disorder benefits

Other Gainwell Responsibilities

- Pharmacy pricing:
 - » **External vendor sets:**
 - product rates
 - dispensing fees
 - value-based payments
- Clinical:
 - » Care coordination (including contracts with each MCO detailing roles/expectations)
 - » Population health insights (reporting, dashboarding, analytics, and ad hoc access)
- Network management
 - » **Contracting**
 - » **Access, adequacy (time, distance, clinical services)**
 - » **Provider directory management**
- Quality Improvement Program:
 - » Health equity insights
- Compliance Program
 - » Grievance and appeal management
 - » SIU (Special Investigative Unit) staff
 - » **Claim dispute resolution**
 - » **EOB mailings**
- Audit:
 - » Internal claims reviews
 - » **Fraud, waste, and abuse reporting, investigations, escalations**
 - » **Retail pharmacy network audits**
 - » External entity audits (ex. PPAC, EQRO)

Gainwell SPBM Network Contract

Network Key Components

- ODM-enrollment required
- All ODM-enrolled pharmacies offered contracts
- No narrow networks
- No DIR fees or clawbacks
- Rates: OAAC, NADAC, WAC, U&C
- Survey participation
- Weekly payments
- No restrictions on what pharmacists can tell patients
- ODM Specialty policy
- Gainwell does not own or have relationships with any pharmacies

ODM Enrollment

- Enrollment process completed through ODM'S Provider Network Management Module (PNM)
- Link will be available on Gainwell website
- Routine license limitation and revocation checks
- Routine federal debarment checks
- All demographic and payment changes need updated with PNM
- Gainwell contracts required to dispense for ODM Managed Care members
- Loss of enrollment will result in loss of ability to dispense for ODM members

Pharmacy Obligations

- Accepting all enrollees
- Notification of changes in operations
- Maintain enrollment with ODM
- Covered pharmaceuticals delivered in error and/or in unacceptable/unusable condition will be replaced at no cost to ODM, Gainwell, or the member
- Sign language services, oral interpretation, oral translation services, and other appropriate auxiliary aids and services will be available to enrollees at no cost
- Pharmacy maintains the right to use the best professional judgment of its pharmacist(s) in matters relating to preparation and dispensing of covered pharmaceuticals
- Pricing surveys

Terms

- Material breach: 30-day notice with option to resolve
- Termination:
 - » 60-day notice
 - » Immediately:
 - Adverse finding from a regulatory agency
 - Health or safety risks
 - Loss of pharmacy license
 - Fraud or violation of any federal, state, or local law, regulation, or rule
 - Debarment
 - Bankruptcy or insolvency
 - Patient care or confidentiality violation
 - Loss of Medicaid provider enrollment
 - State AAC survey noncompliance
 - Plan sponsor or Gainwell determine that the pharmacy has not performed satisfactorily, or the arrangement is not in the best interest of enrollees

Payment

- Submit claims:
 - » At time of dispensing
 - » Online
 - » Using NCPDP D.0
- For members with other coverage, claims will be submitted to all primary and secondary payers
- All claims will be submitted with prescriber's NPI
- All controlled substances will be submitted with prescriber's DEA
- Claims paid by EFT within 90 days
 - » Fiscal Intermediary pays claims weekly
- Reversals within 365 days with 3 exceptions
- Overpayments

Miscellaneous

- Auditing
 - » Announced
 - » Unannounced
- Utilization review
- Insurance requirements
- Indemnity
- Limitation of liability

Specialty Medications

- Accreditation (URAC, The Joint Commission, ACHC)
- Medical claims on medical benefit
- Direct contacts for escalations
- Nurse or pharmacist available to members by phone 24/7
- Pricing survey participation mandatory
- Delivery within 24 hours for:
 - » Dosage changes that cannot be addressed with current medication supplies
 - » Adverse effects requiring treatment changes
 - » Clinical decompensation requiring immediate treatment as determined by Gainwell or Plan Sponsor
- Adhere to ODM Specialty Policy and Gainwell UM strategies

Pricing Methodology

Pricing Methodology

- Lesser of Ingredient Cost Pricing
 - » OAAC, NADAC, WAC, submitted Usual and Customary
- Fair, transparent, and evidence-based pricing methodology for all providers
- Gainwell is not charging a transaction fee to do business, nor engaging in clawbacks
 - » No DIR fees
 - » No network transmission fees
 - » No effective rate contracting
- Dispensing fees will more closely compensate providers for true cost of dispensing
 - » Tiered Structure
 - » Understand differences in acquisition costs between chain and independent pharmacies
 - » Provides flexibility for innovative value-based reimbursement
 - » Ongoing alignment to ODM clinical and safety performance goals and population health initiatives

Benefits of OAAC

Benefits of OAAC

- Ohio Average Acquisition Cost (OAAC) Program:
 - » More accurately reflect the actual acquisition cost for drugs for pharmacy providers in Ohio.
 - » Transparent pricing – based on actual costs for the provider to purchase the drug, not AWP-based pricing or proprietary pricing methodology, such as SMAC.
 - » Impartial. No incentive to base reimbursement on anything other than the actual costs to buy the drug.
 - » Removes potential conflicts of interest.
 - » Driven by Provider feedback from surveys.
 - » Updated on a weekly basis to reflect market fluctuations.

Myers and Stauffer

Introduction

Myers and Stauffer

ALLAN HANSEN

PRINCIPAL

JENNIFER MURRAY, PHARM D

SENIOR MANAGER

NATALIE HOSIER, PHARM D, MBA

HEALTHCARE MANAGER

AJ SUMMERS

MANAGER

Agenda

- OAAC Program Overview
- Draft ODM Reimbursement Methodology
- OAAC Survey Process
- April 2022 OAAC Survey

OAAC Program Overview

- OAAC is one of the pricing benchmarks planned to be included in the pharmacy reimbursement methodology to be implemented on **July 1, 2022** by the Single Pharmacy Benefit Manager (SPBM), Gainwell Technologies, for Ohio Medicaid managed care pharmacy claims.
- OAAC rates will be maintained by Myers and Stauffer LC who is serving as the Pharmacy Pricing and Audit Consultant (PPAC) to ODM.
- OAAC rates will be updated semi-annually via acquisition cost surveys which will occur in April and October of each year.
- The initial OAAC survey will be conducted in **April 2022** and will be used to establish the OAAC rates to be implemented on **July 1, 2022**.
- The initial **April 2022** survey will include all enrolled pharmacy providers.
- Subsequent surveys will include a representative sample of 1/4th of the enrolled pharmacy population.

OAAC Program Overview (Continued)

- OAAC rates will be monitored and adjusted on a weekly basis to reflect changes in published pricing that directly impact providers' acquisition costs (i.e., Wholesale Acquisition Cost (WAC)).
- In addition to weekly adjustments, Myers and Stauffer will operate a provider help desk that will be staffed between 8:00 AM to 8:00 PM, Eastern Time, Monday through Friday. Help desk staff are available to assist with questions regarding the OAAC survey process, general OAAC program questions and to allow providers to submit OAAC pricing inquiries for review after the July 1, 2022 implementation date.

ODM Reimbursement Methodology

Drug Type	Methodology
Brand and Generic – Non-Specialty	Lesser of <ul style="list-style-type: none"> • OAAC plus dispensing fee (DF) • National Average Drug Acquisition Cost (NADAC) plus DF • WAC plus DF • Submitted/Usual and Customary Charges (U&C)
Brand and Generic – Specialty	Lesser of <ul style="list-style-type: none"> • OAAC plus specialty DF • NADAC plus specialty DF • WAC plus specialty DF • Submitted/U&C
Clotting Factor	Lesser of <ul style="list-style-type: none"> • OAAC plus <u>clotting factor</u> dispense fee • Submitted/U&C
340B	Per Ohio Revised Code 5167.123 <ul style="list-style-type: none"> • NADAC plus DF • If no NADAC, WAC plus DF

OAAC Survey Process Overview

Survey Frequency: Semi-Annual every April and October

Survey Provider Population:

April 2022 – All enrolled pharmacy providers

October 2022 and forward – Representative sample of 1/4th of enrolled pharmacy providers

Survey Distribution:

Physical Letters – Mailed to providers’ mailing addresses on record with ODM.

Electronic – Emailed to providers’ contact email addresses on record with ODM.

Survey Provider Submission:

Electronic

Email - OHSurveys@mslc.com
Subject Line - *Ohio Pharmacy Survey*

Physical Mail

ATTN - *Ohio Pharmacy Survey*
Myers and Stauffer LC
800 East 96th Street, Suite 200
Indianapolis, IN 46240

Fax

ATTN – *Ohio Pharmacy Survey*
Number – *317.566.3203*

OAAC Survey Process Overview

April 2022 Survey

Copies of all invoices and purchase records for brand and generic drugs that were purchased through your wholesaler(s), drug manufacturers, or any other sources between March 1, 2022 and March 31, 2022. This request applies to all drug purchases including specialty drugs, clotting factor products and over-the-counter products. Please exclude 340B invoices.

Note: October surveys will request records for purchases made for the month of September.

Data Elements

Records must include the pharmacy's National Provider Identifier (NPI) and all of the following information for each drug purchase line item:

- National Drug Code (NDC) or “item number” to NDC crosswalk if other proprietary nomenclature is used.
- Purchase price of drug (ingredient cost only)
- Quantity purchased
- Date of purchase
- Invoice/purchase record source (e.g., wholesaler/manufacturer name)

NOTE: Electronic submission of data is preferred.

April 2022 OAAC Survey

Survey Timeline:

April 1, 2022 – Survey begins; initial survey letters and email notifications are sent.

April 15, 2022 – Reminder survey letters and email notifications are sent.

April 22, 2022 – Final survey email notifications are sent.

April 30, 2022 – **Final Deadline** for providers to submit purchase records.

May 1, 2022 – Myers and Stauffer begins OAAC rate calculations.

May 31, 2022 – Myers and Stauffer sends proposed OAAC rates to ODM for review.

June 24, 2022 – ODM provides approval of OAAC rates to Myers and Stauffer.

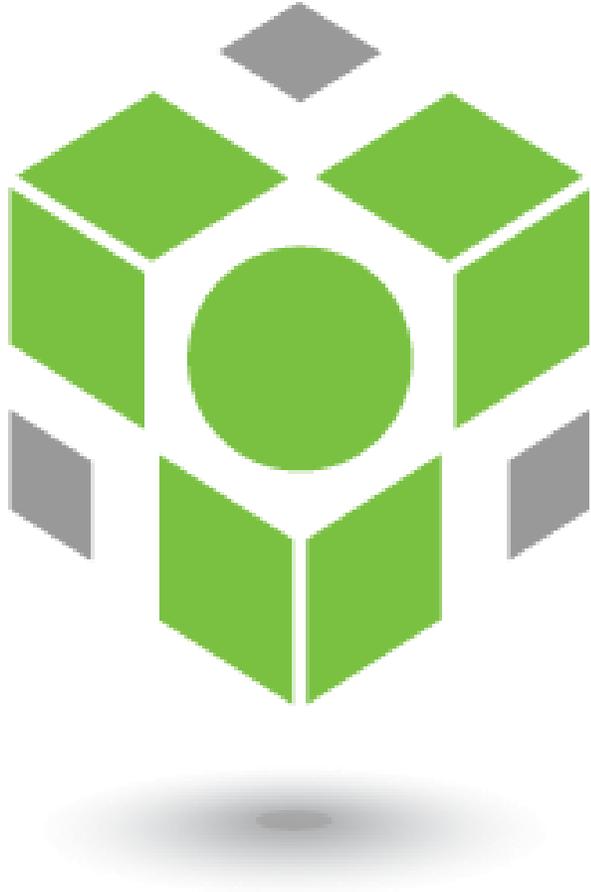
June 25, 2022 – Myers and Stauffer adjusts OAAC rates based on WAC changes prior to implementation.

June 27, 2022 – Myers and Stauffer transmits OAAC rates to Gainwell for July 1, 2022 implementation.

Survey Submission Deadline:

Providers must submit all purchase records to Myers and Stauffer by April 30, 2022. Providers who do not submit the requested information to Myers and Stauffer by this date will be considered to have not participated in the survey and will be reported to ODM.

Contact Us



Myers and Stauffer Help Desk

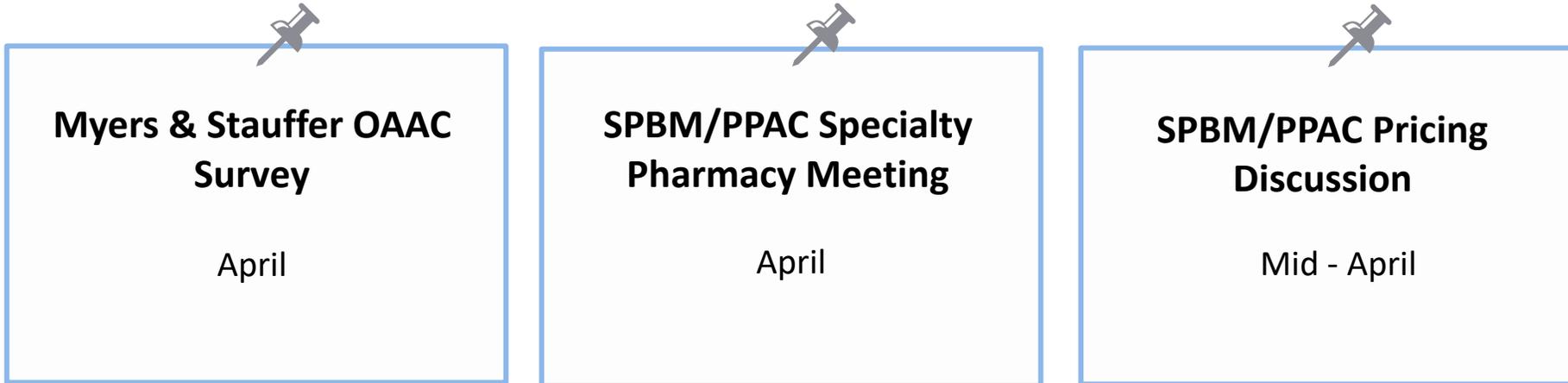
Phone: 800.591.1183

Survey Email: OHSurveys@mslc.com

Website: myersandstauffer.com/client-portal/ohio/

Next Steps

Upcoming Topics in SPBM / PPAC Stakeholder Meetings



Questions

Please refer any questions to your representative associations.

The Ohio Pharmacists Association, Ohio Council of Retail Merchants, Ohio Association of Community Health Centers, National Association of Chain Drug Stores, and the National Community Pharmacists Association will collect your questions and act as a clearinghouse for this meeting.

If you are not a member of an association, please email questions to the ODM SPBM Mailbox.

MedicaidSPBM@medicaid.ohio.gov



Next Generation: Provider Contracting Contact Information

Next Generation MCO Provider Relations Contact Information			
MCO	Phone Number	Web Address	Email
AmeriHealth Caritas Ohio, Inc.	1-833-296-2259	https://www.amerihealthcaritas.com/become-a-provider/join-now.aspx	ProviderRecruitmentOH@amerihealthcaritas.com
Anthem Blue Cross and Blue Shield	1-833-623-1513	https://www.anthem.com/provider/getting-started/	OHMedicaidProviderQuestions@Anthem.com
CareSource Ohio, Inc.	1-800-488-0134	https://www.caresource.com/oh/providers/education/become-caresource-provider/	Ohio_Provider_Contracting@caresource.com
Humana Healthy Horizons in Ohio	1-877-856-5707	https://www.humana.com/provider/medicaid-resources/ohio-medicaid	OHMedicaidProviderRelations@humana.com
Molina Healthcare of Ohio, Inc.	1-855-322-4079	www.molinahealthcare.com	OHContractRequests@MolinaHealthCare.com
UnitedHealthcare Community Plan of Ohio, Inc.	1-800-600-9007	https://www.uhcprovider.com/en/health-plans-by-state/ohio-health-plans/oh-community-plan-home.html	N/A
Buckeye Community HealthPlan	1-866-246-4356 Ext – 24291	https://www.buckeyehealthplan.com/providers/become-a-provider.html	OHNegotiators@CENTENE.com
Aetna Better Health of Ohio (Ohio RISE)	1-855-364-0974	https://www.aetnabetterhealth.com/ohio/providers/join	OhioRISENetwork@AETNA.com