



## Single Pharmacy Benefit Manager Stakeholder Frequently Asked Questions

The Ohio Department of Medicaid is preparing the implementation of the single pharmacy benefit manager (SPBM). The questions below were submitted to the department from pharmacies and pharmacists seeking further clarification on the stages of implementation and the program itself.

Answers provided come from Ohio Department of Medicaid (ODM), Gainwell Technologies (Gainwell), the SPBM vendor, and Myers and Stauffer as the Pharmacy Pricing and Audit Consultant (MSLC PPAC) and are marked as described below to provide you more insight into each entity's roles and responsibilities.

**Gainwell Technologies (Gainwell):** ODM's SPBM who will help bring transparency and accountability in Medicaid's \$3 billion pharmacy program.

**Myers and Stauffer, LC (MSLC PPAC):** ODM's Pharmacy and Pricing Audit Consultant who will help ODM introduce an unparalleled level of financial checks and balances to the \$3.5 billion medication benefit.

**Ohio Department of Medicaid (ODM):** the state Medicaid agency responsible for providing healthcare coverage, including pharmacy services, for nearly 3.4 million Ohioans.

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## Dispensing Fee

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### **How will the dispensing fee be determined? Will it be based on the actual cost of a pharmacist to dispense a medication?**

**Ohio Department of Medicaid (ODM):** Dispensing fees are being determined through a fiscal analysis performed by the Pharmacy Pricing and Audit Consultant (PPAC) vendor, Myers and Stauffer. ODM is also utilizing the most recent Cost of Dispensing survey, as well as data from the current managed care plans, to set dispensing fees. While dispensing fees will not mirror the Fee-For-Service Professional Dispensing Fee due to differences in methodology, they will be based on several variables, such as the prescription volume of the pharmacy, Medicaid volume, and/or type of pharmacy (e.g., specialty). This will be discussed in more detail during the reimbursement meeting planned for May.

### **Ohio Medicaid has previously mentioned moving to value-based pharmacy dispensing fees. Will these be implemented immediately at go-live? Will value-based dispensing fees be supplemental to a pharmacy's regular dispensing fee?**

**ODM:** Value-based dispensing fees/incentives will not be implemented at go-live. These payment arrangements, when implemented, will be supplemental to this base dispensing fee.

### **When will pharmacy reimbursement rates be released?**

**ODM:** Dispensing fee rates are expected to be announced in May. Due to the need for Gainwell to begin the contracting process, dispensing fees may not be immediately available to pharmacies. Pharmacies do have the option to defer contracting until dispensing fees are known.

OAAC rates will not be calculated/published until late June due to the survey process. As such, these rates will not be available until closer to go-live of the SPBM program. Given that these rates are evidence-based and transparent, we anticipate providers will have a level of comfort with this process. Additionally, providers have the option of asking Myers and Stauffer for a review of pricing if OAAC pricing appears inaccurate. As many states currently operate AAC programs for their respective Medicaid programs, providers also have the option to browse those rates via publicly available channels.

### **What specifically is the “value-based” dispensing fee? How will it be determined and what entity in the program will oversee this process?**

**ODM:** Value-based dispensing fees will not be implemented at go-live. ODM and Myers and Stauffer will oversee this initiative when it begins. Of note, value-based dispensing fees will be in addition to the base dispensing fees when implemented. These payment strategies aim to reimburse providers for providing high-quality pharmacy care for key metrics such as medication adherence, clinical outcomes, or value-added services.

## Ingredient Cost/OAAC Survey

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### **Why is the program using OAAC rather than the National Average Drug Acquisition Cost (NADAC) if Myers and Stauffer already determine NADAC?**

**ODM:** ODM has elected to conduct OAAC surveys to ensure the program goals of transparency and accountability are met. An evidence-based, Ohio-specific acquisition cost survey ensures that ODM reimburses as close to actual acquisition cost as possible.

As NADAC is a national average, this may not be reflective of the true cost to Ohio providers. Additionally, NADAC rates are not widely available for specialty drug products, which ODM would like to ensure are covered through the survey process.

While the OAAC survey occurs every six months, Myers and Stauffer will perform weekly market checks and adjust pricing accordingly, similar to the NADAC methodology.

### **How will the OAAC rates be updated to current market conditions?**

**Myers and Stauffer, LC (MSLC PPAC):** In addition to the semi-annual survey process, Myers and Stauffer will monitor published pricing changes to Wholesale Acquisition Cost (WAC) pricing on a weekly basis and adjust OAAC rates accordingly. OAAC rates for brand-name drug products will be adjusted by the same percentage change as the WAC changes, and effective dates will be set equal to the date that the WAC price change occurred in the market to account for retroactive pricing changes.

On an ongoing basis, Myers and Stauffer will monitor various market conditions (e.g., drug shortages, new product availability, etc.) that can impact the acquisition costs experienced by pharmacies to ensure OAAC rates are in alignment with their acquisition costs.

It is important to note that OAAC rates are a direct reflection of the acquisition cost data that participating Ohio pharmacies submit through the OAAC survey. Pharmacy providers are encouraged to submit OAAC pricing inquiries to the Myers and Stauffer help desk on products for which OAAC rates are perceived to not fairly represent current acquisition costs.

### **In the case of price increases, can we expect that the program will apply the “best practice” and retroactively apply the appealed cost to claims?**

**MSLC PPAC:** If an appeal results in an approved rate change, the revised OAAC rate can be retroactively applied to a claim. Pharmacies may be asked to reverse and resubmit the claim to apply the updated pricing.

### **How will the OAAC pricing accurately reflect current conditions when surveys are being performed every six months?**

**MSLC PPAC:** Although OAAC surveys will occur every six months, the process for adjusting OAAC rates based on changes to published pricing and other market conditions will be similar to the process used for the NADAC. OAAC rates for brand-name drug products will be adjusted on a weekly basis based upon published pricing changes. Rate appeals can be submitted to the help desk at any time and approved rate changes will be implemented as soon as possible.

**With respect to the OAAC Surveys, when will the detailed reporting requirements be communicated to the pharmacy providers?**

**MSLC PPAC:** Myers and Stauffer will mail OAAC survey information letters to pharmacy providers twice annually, at the beginning of each survey cycle (April 1 and Oct. 1). These letters will provide detailed instructions regarding how pharmacy providers should submit drug purchase invoice data for consideration in the OAAC rate development process. The letters will indicate a survey due date (typically the end of the month). Pharmacies can submit their invoice data in either electronic or hardcopy format, although electronic submission is highly encouraged.

**Where will pharmacy providers get the necessary information to meet the reporting requirements?**

**MSLC PPAC:** Most pharmacies that participate in surveys of this type can either receive drug purchase reports through their wholesaler or request that their wholesaler submit such reports to Myers and Stauffer on their behalf.

**How will Myers and Stauffer ensure secure connections to share proprietary detail?**

**MSLC PPAC:** All survey submissions will be treated as confidential by Myers and Stauffer, and they will only use the data for the purposes of the OAAC program as directed by ODM. Providers can submit their survey responses through email, mail, or facsimile. Providers are encouraged to use their own secure email system but may also contact the Myers and Stauffer help desk to arrange for alternate secure transmission of their data.

**If a pharmacy is 100% 340B, how will they exempt themselves from the OAAC survey?**

**MSLC PPAC:** If a pharmacy received an OAAC survey notification and that pharmacy purchases all drugs through 340B channels, the pharmacy should send an email to Myers and Stauffer ([OHSurveys@mslc.com](mailto:OHSurveys@mslc.com)) and indicate the pharmacy name(s) and NPI(s). Myers and Stauffer will mark the pharmacy as 340B, share the information with ODM, and exclude the pharmacy from future OAAC surveys.

## Specialty Drugs

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**What drugs qualify as “specialty drugs” under the SPBM program? Under what circumstances will a patient need to go to a “specialty pharmacy” to fill a prescription that is on the specialty list?**

**ODM:** Specialty medications will be defined by ODM by looking at medication cost, clinical considerations, Risk Evaluation and Mitigation Strategy (REMS) program considerations, and limited distribution networks. For medications that are on the specialty medication listing, members will need to fill through a specialty pharmacy.

**ODM has previously discussed special accreditation requirements for specialty medication dispensing, which takes time. What will be done in meantime and how should pharmacies be preparing?**

**ODM:** In ODM's experience, most specialty pharmacies have obtained the needed accreditation, as these accrediting bodies are the most widely accepted specialty pharmacy accreditations in the industry. Pharmacies interested in adding specialty capabilities should begin the accreditation process with one of the three entities – URAC, ACHC, or The Joint Commission – as soon as possible.

## Contracting

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**When and how will Gainwell start the contracting process?**

**ODM:** Gainwell began contracting outreach in late March and has contacted all ODM-enrolled pharmacies through the email addresses on file with ODM. For providers who do not respond, Gainwell will follow up via phone call outreach. Pharmacy providers can contact Gainwell directly via email at: [OH\\_MCD\\_PBM\\_network@gainwelltechnologies.com](mailto:OH_MCD_PBM_network@gainwelltechnologies.com) or by phone at: 1-833-491-0364.

**If the pharmacy is currently enrolled in ODM, can that enrollment information be transferred to Gainwell to eliminate duplicative administrative steps?**

**ODM:** As part of the contracting process, Gainwell needs to verify the information currently in ODM's provider records, as well as collect several data points that are not within the ODM system. While this will create some additional administrative work, it is a necessary one-time request.

**Are pharmacies required to enroll with ODM before contracting with Gainwell?**

**ODM:** In order to reimburse for services provided, all pharmacy providers must be enrolled with ODM before contracting with Gainwell to meet state and federal requirements.

## Claims Processing

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**What are the claim adjudication requirements?**

**ODM:** Specific claim adjudication requirements will be detailed in the network contract, pharmacy provider manual, and payer sheet. These documents are available on the SPBM website at: <https://spbm.medicaid.ohio.gov>.

**What will be the BIN/PCN/member ID?**

**ODM:** Gainwell will have a new BIN/PCN combination (BIN: 024251, PCN: OHRXPROD). Group number will not be used. The member ID used will be the enrollee's 12-digit Medicaid recipient ID, which will be found on the member ID card.

### **Will existing MCO cardholder IDs be accepted?**

**ODM:** No, existing MCO cardholder IDs will not be accepted; however, the Medicaid ID will be the ID number used for SPBM claim processing. Providers will have the ability to check eligibility via an E1 transaction or through the SureScripts 270/271 process.

### **Will members receive new ID cards with the pharmacy claims processing information?**

**ODM:** Yes, members will receive a new ID card from their MCO that will contain SPBM claims processing information on the front of the card.

### **Will Gainwell offer pharmacies the ability to test claims including test scripts, BIN/PCN/Group transmission, and reversing paid claims to prepare for the cutover/transition date?**

**Gainwell:** Gainwell will be testing with a subset of pharmacies before go-live. ODM and Gainwell will reach out to the provider community to identify pharmacies interested in assisting with testing.

### **When will the Gainwell National Council for Prescription Drug Programs (NCPDP) Payer Sheet be made available and where will it be posted/published?**

**Gainwell:** The payer sheet (vendor specification) can be found on the Gainwell SPBM website at: <https://spbm.medicaid.ohio.gov>, on the “Provider” tab.

### **Will all transactions submitted prior to the implementation date need to be directed to the current MCOs’ PBMs?**

**ODM:** Yes, all claims for dates of service before the SPBM implementation date will need to be submitted to the current MCO’s PBM. All reversals for claims with original dates of service prior to the SPBM implementation date, that occur on/after the implementation date must also be submitted through the original payer.

### **How will existing MCO formularies (seven distinct plans) be converted to a single Preferred Drug List (PDL)?**

**ODM:** Ohio Medicaid implemented a unified preferred drug list (UPDL) in January 2020. The unified PDL will continue to function as it does today.

### **Will existing prior authorizations (PAs) be carried over?**

**ODM:** Yes, existing PAs will be honored through their expiration date.

### **Will a transition policy apply to allow claims covered under the individual MCO to be covered under the single PDL, regardless of the single PDL status for the drug?**

**ODM:** Medications with approved PAs through the current MCOs will continue to be covered by the SPBM through the expiration date of the current, approved prior authorization.

### **Who is managing the PA and appeals process?**

**ODM:** Gainwell SPBM will manage the PA and appeals process.

### **Will existing vendor solutions be supported (e.g., ePA transactions, CoverMyMeds services)?**

**Gainwell:** ePA will not be supported at go-live. Vendors will need to convert ePAs to faxes for submission. Alternatively, PAs can be directly entered on the SPBM portal.

### **Will there be a prescriber outreach and education effort outlining the prior authorization and formulary changes?**

**ODM:** Yes, there will be a prescriber education effort to address changes in the prior authorization process. To date, Gainwell has presented the SPBM initiative to provider groups such as the Ohio State Medical Association.

### **Will the Gainwell PDL implement Brand required rules, requiring DAW 9 claims to be submitted?**

**Gainwell:** Gainwell will align with the Ohio Medicaid UPDL which includes some brand products preferred over the generic and will be identified on the UPDL posted on the Gainwell SPBM and ODM websites. A DAW value of “9” should be used to submit claims in those instances.

### **How will provider enrollment services be coordinated?**

**ODM:** Direct data connections to share provider data will exist between SPBM and the ODM Provider Network Management vendor.

### **Will Gainwell implement preferred brand formulary rules, where the generic drug will result in a reject?**

**Gainwell:** Gainwell aligns with the Ohio Medicaid unified PDL, which includes some brand products preferred over the generic. Those will be identified on the UPDL posted on Gainwell’s SPBM website as well as ODM’s website. NOTE: the preferred brand products would cause a generic to reject.

### **For over the counter (OTC) medications, will a crosswalk to national drug codes (NDC) be required, or can the UPC be submitted?**

**Gainwell:** An NDC will be required for submission.

## Prescriber Identifiers

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### **Will ordering referring provider enrollment edits apply?**

**ODM:** Yes.

**Will all prescribers also need to enroll with Gainwell, or will ODM enrollment files be used?**

**ODM:** ODM enrollment files will be used for prescriber validation. Prescribers do not need to enroll with Gainwell.

**Why is the prescriber DEA required on controlled substance claims when the federal HIPAA and MACRA rules require national provider identifier (NPI)?**

**Gainwell:** An NPI is required for provider identification. A missing prescriber DEA on a controlled substance is a soft (warn) edit.