Ohio | Department of Medicaid

Single Pharmacy Benefit Manager (SPBM)
and Pharmacy Pricing and Audit Consultant (PPAC)
Frequently Asked Questions

September 2022

This FAQ document is designed to provide answers to the most common questions regarding the Single Pharmacy Benefit Manager (SPBM) and Pharmacy Pricing and Audit Consultant (PPAC) initiative at the Ohio Department of Medicaid (ODM). SPBM will be single system to improve management and administration of pharmacy benefits for managed care recipients while decreasing costs for the state. The PPAC will assist ODM in the provision of drug cost and dispensing methodology, oversight support, auditing, analysis, and program integrity.

SPBM and PPAC Frequently Asked Questions (FAQs)

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Dispensing Fee

How is the dispensing fee determined?

The SPBM dispensing fee is determined utilizing a tiered structure. The scoring methodology is based on the two components listed below with the total score being the sum of the two components.

Component 1: Total pharmacy script volume, annual

- 75,000 prescriptions or greater: 1 point
- 50,000 – 74,999 prescriptions: 2 points
- < 50,000 prescriptions: 3 points
- No data: 0 points

Component 2: Ohio Medicaid volume, as a proportion of total pharmacy script volume

- Upper 1/3 of all pharmacies (current: >= 23.2%): 6 points
- Middle 1/3 of all pharmacies (current: >= 11.5%): 4 points
- Lowest 1/3 of all pharmacies (current: less than 11.5%): 2 points
- No data: 0 points

Tier A: 0-5 points; $7.64 per claim

Tier B: 6-7 points; $8.75 per claim

Tier C: 8-9 points; $10.50 per claim

Additionally, there are three ways a pharmacy can automatically achieve a Tier C designation. They are as follows (must meet at least 1 of the below criteria):

- Specialty pharmacies that hold an active specialty pharmacy or home care accreditation from URAC, ACHC, or The Joint Commission
- More than 5% of the pharmacy's claims are ODM-defined specialty medications.
- More than 46.4% of the pharmacy's script volume is for Ohio Medicaid claims.
- For specialty medications, the dispensing fee will be the base tier dispensing fee plus $46.25.
- For clotting factors, the dispensing fee will be the base tier dispensing fee plus $400.

How often will the dispensing fee tiers be updated?

Scheduled annual redeterminations will occur in December. A re-analysis of volume data, cost of dispensing survey data (during even-numbered years), and Ohio Medicaid claims ratios for the prior year will occur at this time. Updated dispensing fees will become effective in April of each year.

Can a pharmacy request a redetermination of its dispensing fee tier if it feels it is not correct?

Yes, a pharmacy can contact the Ohio Department of Medicaid (ODM) at MedicaidSPBM@medicaid.ohio.gov to seek a redetermination of their tier at any time, with justification. Adjustments made will be prospective.

How will a new pharmacy's dispensing fee be determined?

New providers will be reimbursed at Tier A ($7.64 per claim). However, they can have their dispensing fee redetermined after having one month of claims data, as well as an attestation of total volume and the Ohio Medicaid percentage. Changes in these cases will be prospective. Please reach out to MedicaidSPBM@medicaid.ohio.gov for redetermination requests.

Are these ingredient cost and dispensing fee terms set in stone or can we negotiate them individually with Gainwell?

In keeping with the program goals of fairness, accountability, and transparency, all providers must be reimbursed under identical reimbursement methodologies. Rates will not be negotiated individually with Gainwell.

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?

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.

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

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

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

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?

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?

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?

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?

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?

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?

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?

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) 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.

Where can I get more information about ingredient costs?

Ohio Actual Acquisition Cost (OAAC) rates are available at: https://myersandstauffer.com/client-portal/ohio/. Rates are updated weekly.

Can a pharmacy request a redetermination of an OAAC rate if it feels it is not correct?

Yes, a pharmacy can contact Myers & Stauffer at OHPharmacy@mslc.com to seek a redetermination of an OAAC rate.

How will compounds be reimbursed?

Compounds will be reimbursed similarly to brand and generic non-specialty pharmaceuticals.

Specialty Drugs

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?

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. A current listing of specialty drugs can be located on the Gainwell SPBM website at:
https://spbm.medicaid.ohio.gov/SPContent/DocumentLibrary/Specialty%20Drug%20List

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?

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.

Do you have to be designated as a specialty pharmacy with the state to be able to bill and dispense specialty medications?

To bill and dispense specialty medications, a pharmacy must contract with SPBM and possess the required specialty pharmacy accreditation. Additionally, the pharmacy must attest to the Gainwell specialty network criteria as outlined in the Gainwell Pharmacy Network Agreement.

Contracting

When and how will Gainwell start the contracting process?

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 has followed up via phone call outreach. Pharmacy providers can contact Gainwell directly via email at: 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?

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?

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.

When will I receive the provider manual?

The provider manual is available and can be found under the provider tab at: https://spbm.medicaid.ohio.gov.

How fast can we generally expect Gainwell to pay claims?

Gainwell claims will be paid on a weekly payment cycle.

Claims Processing

What are the claim adjudication requirements?

Specific claim adjudication requirements are 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?

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?

No, existing MCO cardholder IDs will not be accepted; however, the Medicaid ID (or MMIS 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 master patient index.

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

Yes, members should have received a new ID card from their MCO that will contain SPBM claims processing information on the front of the card.

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

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?

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 (five distinct plans) be converted to a single Preferred Drug List (PDL)?

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?

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?

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?

Gainwell SPBM will manage the PA and appeals process.

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

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

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

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?

Direct data connections to share provider data 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 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?

An NDC will be required for submission.

How will provider-administered drugs such as infusion therapy, long-acting anti-psychotic injectables, birth control and other administered pharmaceuticals be handled under the new SPBM?

All pharmaceuticals dispensed by a pharmacy provider (provider type 70) will be billed to ODM's SPBM.

Prescriber Identifiers

Will ordering referring provider enrollment edits apply?

Yes.

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

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)?

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