

Name of Meeting: Pharmacy Liaison Committee

Date of Meeting: June 21, 2016

Length of Meeting: 1:10 PM – 2:20 PM

Location of Meeting: DMAS Mack Brankley Room

Committee Members Present:

Tim Musselman, Virginia Pharmacists Association (VPhA)

Rusty Maney, Virginia Association of Chain Drug Stores

Anne Leigh Kerr, PhRMA

Alexander Macaulay, EPIC Pharmacies

Committee Members not Present:

Bill Hancock, Long Term Care Pharmacy Coalition

DMAS Attendees:

Donna Proffitt, Pharmacy Manager

Keith Hayashi, Pharmacist

Other Attendees:

Jodi Roth, Virginia Association of Chain Drug Stores

Jill McCormick, National Association of Chain Drug Stores

Hunter Jamerson, Association of Community Pharmacists

Victoria Spencer-Pittman, Creighton School of Pharmacy

Audrey Pham, VCU School of Pharmacy

Phil Cerreto, VCU School of Pharmacy

Dhania Molina, VCU School of Pharmacy

Introductions

Donna Proffitt welcomed everyone to the meeting and asked everyone in attendance to introduce themselves.

Approval of Meeting Minutes from October 13, 2015

Ms. Proffitt asked if there were any corrections, additions or deletions to the draft meeting minutes from October 13, 2015. Dr. Musselman noted that Richard Grossman appeared under “Committee Members Present” and “Other Attendees.” With that correction, the minutes were approved by the Committee.

DMAS Chief Medical Officer

Donna Proffitt announced that DMAS recently hired a Chief Medical Office for the Agency. Dr. Kate Neuhausen has been hired for this newly created position and will be responsible for developing and implementing clinical guidelines, procedures, standards and controls for the Virginia Medicaid program, which serves over 1 million low-income Virginians. Dr. Neuhausen is a Clinical Assistant Professor in the Department of Family Medicine and Population Health at

VCU. Dr. Neuhausen was a Robert Wood Johnson Foundation Clinical Scholar at the University of California, Los Angeles and earned her Masters in Public Health degree from UCLA. As a Clinical Scholar, she served as a fellow at the Centers for Medicare and Medicaid Services, where she advised the Center for Medicaid and CHIP Services on delivery system reform and health care innovation including integrated behavioral health and primary care and interventions to address the needs of high-cost “super-utilizer” patients. She completed her family medicine residency training at the University of San Francisco/San Francisco General Hospital and received her medical degree from Emory University. She obtained her undergraduate degree from the University of Virginia. Mrs. Proffitt shared she has been working closely with Dr. Neuhausen on the new Substance Use Disorder (SUD) program and anticipates that the pharmacy unit will be collaborating with Dr. Neuhausen on future initiatives.

New Pharmacy Reimbursement Proposal

Ms. Proffitt informed the Committee that the Department of Medical Assistance Services (DMAS) has submitted a State Plan Amendment (SPA) to CMS and a regulation change package to the Virginia Regulatory Townhall for a new pharmacy reimbursement methodology. The proposed reimbursement will be the “lesser of” the national average drug acquisition cost (NADAC), wholesale acquisition cost (WAC), federal upper limit (FUL) or the provider’s usual and customary (U&C) charge plus a \$10.65 professional dispensing fee. The new reimbursement methodology is scheduled for a September 1, 2016 implementation. Ms. Proffitt shared that DMAS had a teleconference with CMS on June 20th to discuss several issues. CMS informed DMAS that this was the first pharmacy reimbursement SPA it will be reviewing since the “Covered Outpatient Drug” rule was finalized. CMS has requested DMAS include in its SPA – specific language to address reimbursement for:

- Nominal priced drugs
- Hemophilia agents
- Specialty drugs
- Drugs dispensed by long-term care pharmacies
- Physician administered drugs

Ms. Proffitt asked the Committee if anyone could foresee any issues with the implementation of the new pharmacy reimbursement methodology and several members had concerns related to the one dispensing fee per drug per month requirement. Tim Musselman stated that some pharmacies use 28-day compliance packaging and they do not receive a second dispensing. This also affects pharmacies when members are getting their prescriptions filled a few days before running out of their 30 or 34 day supply of medications. It was stated that pharmacies would be taking a “hit” since the spread on the reimbursement for the drug was being reduced with NADAC. The Committee requested that DMAS consider exceptions to the once a month dispensing fee. Ms. Proffitt stated that DMAS would take this issue under consideration.

Pharmacy Benefits Manager (PBM) RFP for FFS

Ms. Proffitt announced that the PBM RFP was published on June 16, 2016. Vendor responses to the RFP are due to DMAS by August 5, 2016. DMAS is still planning a July 1, 2017 implementation at this time.

Substance Abuse Disorder (SUD) Program

Ms. Proffitt shared the following information with the Committee:

- The 2016 final budget included a new program establishing Medicaid benefits for substance abuse disorder treatment. The budget includes \$11 million in general funds and \$11 million in federal matching funds over the biennium to implement a comprehensive Medicaid benefit package for substance abuse disorder (addiction) treatment for **current** Medicaid members. The program creates a fully integrated physical and behavioral health continuum of care through Managed Care Plans and is scheduled to go live April 2107.
- The Six (6) Approved SUD Budget Supports include:
 - 1) Expanding short-term SUD inpatient detox to all Medicaid members
 - 2) Expanding short-term SUD residential treatment to all Medicaid members
 - 3) Increasing rates for existing Medicaid/FAMIS SUD treatment services. *These rate increases would create sustainable Medicaid funding streams allowing doctors to hire counselors and social workers who can support them in providing addiction treatment*
 - 4) Adding Peer Support services for individuals with SUD and/or mental health conditions
 - 5) Requiring SUD Care Coordinators at Medicaid health plans
 - 6) Providing Provider Education, Training, and Recruitment Activities
- DMAS has submitted a 1115 SUD waiver that will:
 - Allow federal matching Medicaid dollars for services provided in an IMD, which is currently prohibited for mental health or SUD treatment delivered in facilities with > 16 beds
 - Allow Virginia Medicaid to pay for services provided in residential treatment facilities > 16 beds, significantly increasing SUD treatment capacity
 - Waiver would NOT change who is eligible for SUD services
 - Waiver would require Medicaid health plans and providers to use American Society of Addiction Medicine (ASAM) criteria in all SUD assessment and treatment services

DMAS has commissioned a SUD CORE Workgroup which is charged with making programmatic changes in the provision of all Substance Abuse Treatment Outpatient, Community Based and Residential Treatment services (group homes and facilities) for individuals with substance use disorders in order to ensure parity between the substance use treatment services and the medical and mental health services covered by the department to ensure comprehensive treatment planning and care coordination for individuals receiving behavioral health and substance use disorder services.

Medicaid Managed Long Term Services and Support (MLTSS) RFP

Ms. Proffitt provided the following information regarding the MLTSS project: MLTSS is a new statewide Medicaid managed care program that will serve approximately 212,000 individuals

with complex care needs, through an integrated delivery model, across the full continuum of care. MLTSS will include all aged, blind and disabled (ABD) populations, dual eligibles and LTSS populations. Care management is at the heart of the MLTSS high-touch, person-centered program design. MLTSS focuses on improving quality, access and efficiency. MLTSS is proposed to launch July 2017 and enrollment into MLTSS is required for qualifying populations. The MLTSS RFP was published on April 29, 2016 and will be implemented in phases across the state with a completion date of January 2018.

Medallion 3.0 RFP

Ms. Proffitt provided the following information regarding the Medallion 3.0 RFP: DMAS will restructure and re-procure the Medallion 3.0 program, which currently serves more than 700,000 individuals. Medallion 3.0 will serve adults and children in the low income families with children (LIFC), FAMIS, FAMIS MOMS and pregnant women covered groups. Individuals receiving LTSS who are enrolled in Medallion 3.0 for their acute and primary care services (known as the HAP population) and Medallion 3.0 ABD individuals will be transitioned to MLTSS.

Other Business

Hunter Jamerson asked if DMAS had received any complaints regarding its “buy and bill” policy for physician administered drugs. This policy requires applies to any drug administered in a physician’s/provider’s office and requires the physician to purchase the drug and bill Medicaid for the drug and the administration of the drug. Patients cannot obtain the drug from a local pharmacy and take the drug the physician’s office. Ms. Proffitt responded that this policy is not a new DMAS policy but was recently applied to long acting antipsychotics which did cause some confusion when enforced. DMAS published several Medicaid Memos describing the coverage of physician administered medications and worked closely with the CSBs and other providers to ensure they understood how to bill Medicaid. Ms. Proffitt stated that she had not received any calls or complaints from providers in the last several months.

Ms. Proffitt asked the members if anyone had an update on the medication therapy management (MTM) pilot conducted by Virginia state employees’ health plan. Mr. Jamerson responded that it is no longer a pilot and MTM has been included in Aetna’s COVA HealthAware health plan. The MTM program is administered by a third party, Mirexa and is available to any member with 3 or more co-morbid diseases on 7 more drugs. The MTM program covers an annual assessment and patient/pharmacist interventions can be telephonic or in-person. Mr. Jameson was unable to provide any savings estimates associated with the MTM program.

Rusty Maney of VACDS requested that DMAS consider reimbursing pharmacists for the administration of the vaccine beyond the dispensing fee of \$3.75. Currently, DMAS allows for influenza vaccines administered to members over the age of 18 to be billed through pharmacy point-of-service. The pharmacy is reimbursed the cost of the vaccine plus a \$3.75 dispensing fee. Ms. Proffitt responded that DMAS will take his suggestion under consideration.

Ms. Proffitt shared with the Committee that Bryan Tomlinson, Division Director for Health Care Services, announced his retirement effective July 2, 2016. The Committee expressed their warm wishes for his life after Medicaid.

The meeting was adjourned at 2:30PM

DRAFT