

# **Medicaid and CHIP Managed Care Pharmacy Benefit Provider Training**

**September 2011**

# Vendor Drug Program

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- Currently, the Vendor Drug Program (VDP) administers pharmacy benefits for all Medicaid and CHIP clients.
- Effective March 1, 2012:
  - VDP will only manage clients served by traditional, fee-for-service Medicaid.
  - Managed care organizations (MCOs) that contract with HHSC will administer prescription drug benefits and payments for Medicaid managed care and CHIP clients.
  - Required by S.B. 7, 82<sup>nd</sup> Legislature, 1<sup>st</sup> Called Special Session, 2011.

# MCO Pharmacy Benefits

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- **Beginning March 1, 2012:**
  - MCOs must use a pharmacy benefits manager (PBM) to process prescription claims.
  - Each MCO will contract with a PBM that will in turn contract and work with pharmacies that serve CHIP and Medicaid managed care clients.
  - PBMs must offer network provider agreements to all willing pharmacy providers.
  - MCOs and PBMs are required by state law to adhere to:
    - Medicaid preferred drug list (PDL)
    - HHSC Medicaid and CHIP formularies

# MCO Pharmacy Benefits

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MCOs will:

- Perform drug utilization review for managed care clients.
- Monitor pharmacy providers for compliance.
- Establish help lines for providers and clients.
- Ensure that all clients have access to a minimum of one network pharmacy:
  - Within 15 miles of the client's residence.
  - With 24-hour coverage within 75 miles of the client's residence.
- MCOs/PBMs cannot require clients to use a mail-order pharmacy.

# MCO Pharmacy Services

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- MCOs must provide e-prescribing abilities to:
  - Verify client eligibility.
  - Review medication history.
  - Review formulary and PDL information.
- Correct pharmacy claims submitted electronically must be paid within 18 days.

# MCO Pharmacy Prior Authorization

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- Prescribers may be required to request prior authorization (PA) for a prescription drug.
- If a pharmacy is not able to fill a client's prescription because of a PA requirement and the prescriber is unable to be reached or to request the PA:
  - The pharmacy must dispense a 72-hour emergency supply to the client.
- MCOs must notify the prescriber's office of a PA approval or denial:
  - Within 24 hours of a request submitted via fax or web.
  - Immediately for telephone requests.
- PA will still be required for non-preferred drugs.
- Individual PBMs will have their own PA processes and phone lines.

# MCO Formulary Requirements

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- HHSC will manage Medicaid and CHIP formularies.
- MCO/PBM will inform network providers how to access the formulary and PDL.
  - Pharmacies can reference the Medicaid & CHIP formularies on the VDP website.
- Medicaid and CHIP formularies and Medicaid PDL are available on smartphone and web at [www.epocrates.com](http://www.epocrates.com).
- MCOs may selectively contract with pharmacies for specialty drugs.

# Performance Monitoring

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- HHSC monitors MCO performance quarterly for key indicators:
  - Network Adequacy.
  - Claims Processing time and payment.
  - Hotline Performance.
  - Complaint processing.
- Additional contract requirements and performance are also monitored on an ongoing basis.

## Provider Contacts

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- Each MCO/PBM will have a provider hotline.
- Complaints and Appeals
  - MCOs will provide each network provider with its complaint and appeals process.
  - Providers may submit written complaints to HHSC at [hpm\\_complaints@hhsc.state.tx.us](mailto:hpm_complaints@hhsc.state.tx.us).
- Members will receive information regarding a member hotline and complaint/appeals process.

# Client Eligibility

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- HHSC has recently introduced the Your Texas Benefits Medicaid card. This card replaces the Medicaid ID letter (Form 3087) members have been getting in the mail every month.
- The card is designed to show the same type of information shown on private health insurance cards. It contains a great deal of information, including:
  - Member name and Medicaid ID number.
  - Managed care program name, if applicable (STAR, STAR Health, STAR+PLUS)
  - Billing information for pharmacies.
  - Health plan names and plan phone numbers.

# Verifying Eligibility

 <b>Your Texas Benefits</b> Health and Human Services Commission	
<b>Medicaid ID Card</b>	<b>Health plan / Plan de salud</b>
Member name: <b>John Doe</b>	<b>Your plan</b> <b>1-800-###-####</b>
Member ID (Medicaid ID): <b>123456789</b>	
Issuer ID: (80840) <b>XXXXXXXXXX</b>	
Date card sent: <b>10/01/2011</b>	
<b>RxBIN: 001111</b>	
<b>RxPCN: ADV</b>	
<b>RxGRP: RX1234</b>	

**Back of card:**

- Single phone number for help.
- Statement that the card itself does not guarantee eligibility.
- Website address for more information.
- Instructions to call the health plan for the primary care provider's information.

# Resources

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- HHSC Managed Care Initiatives Website:  
[www.hhsc.state.tx.us/medicaid/MMC.shtml](http://www.hhsc.state.tx.us/medicaid/MMC.shtml)
- HHSC STAR Website:  
[http://www.hhsc.state.tx.us/medicaid/mc/mc\\_home.html](http://www.hhsc.state.tx.us/medicaid/mc/mc_home.html)
- HHSC STAR+PLUS Website:  
[www.hhsc.state.tx.us/starplus/Overview.htm](http://www.hhsc.state.tx.us/starplus/Overview.htm)
- Email: [ManagedCare\\_Exp2012@hhsc.state.tx.us](mailto:ManagedCare_Exp2012@hhsc.state.tx.us)
- Vendor Drug Program website:  
[www.txvendordrug.com](http://www.txvendordrug.com)

Questions?