

Medicaid and the Medicare Prescription Drug Benefit

Training on the Medicare Verification System

December 2005

New York State Department of Health
Office of Medicaid Management



Overview

- Effective January 1, 2006, Medicare, not Medicaid, will be the primary payor for prescription drugs provided to Medicare beneficiaries, including those with Medicaid (dual eligibles)

Pharmacy Benefit under Part D

- Covered
 - Prescription drugs
 - Biologicals (blood products)
 - Insulin and insulin related supplies defined as syringes, needles, gauze, and swabs
 - Certain vaccines
- Excluded
 - Drugs covered under Medicare A/B
 - Drugs in federally excluded categories except smoking cessation products

Part D Excluded Drugs

- Medicaid will continue to reimburse for barbiturates, benzodiazapines, and certain OTCs (over-the-counter drugs) on a fee-for-service basis.
- The NYS Medicaid Program will continue to receive federal participation for these drugs

Transition Plans

- Part D plans are required to establish an appropriate transition process for new enrollees who are transitioning to Part D from other prescription drug coverage, and whose current drug therapies may not be included in their PDP's formulary

PDP formularies

- Must include at least 2 drugs in class, but PDPs actually include many more
- Must include all, or substantially all*:
 - Antidepressants
 - Antipsychotics
 - Anticonvulsants
 - HIV/AIDS drugs
 - Immunosuppressants
 - Antineoplastics
- Utilization management tools can be used as long as they are non-discriminatory.

*with some minor exceptions

Exceptions and Appeals

- MMA requires plans to have exception processes to challenge the exclusion of a particular drug from the formulary
- A beneficiary, their physician, or their appointed representative, should contact the plan first if their drug is not on the formulary to request an "exception"
- Plans must grant exceptions when they determine that it is medically appropriate to do so
- If the plan denies the exception, the beneficiary can further appeal

What about prescription drugs not covered by the PDPs?

- The PDP is now the primary payor for prescription drugs.
- However, in limited circumstances, Medicaid will provide an additional "wrap-around" benefit for drugs not covered by the PDP in addition to Medicaid coverage of the Part D excluded drugs.
- This additional "wrap around" benefit is funded with 100% State dollars with no federal participation

Medicaid's Limited Wrap-Around Benefit-How does it work?

- Prescriber must first file an exception request with their patient's PDP
- The exception request must be subsequently denied by the PDP
- The prescriber must obtain an MVS (Medicare Verification System) number from the Medicaid Program

The Medicare Verification System

- Verifies to the Medicaid program that an exception request has been requested and denied
- The MVS is an automated process that is available 7 days per week/24 hours per day
- Both the prescriber and dispensing pharmacist must call and respond to a short series of question to complete the process before the drug is dispensed

MVS Prescriber Process

- Prescriber (or agent) completes the MVS worksheet
- Prescriber dials the toll free (800) 292-7004
- Using Keypad or Verbal prompts – prescriber responds to questions which correspond with MVS prescriber instructions
- MVS gives prescriber an MVS number
- Prescriber places the MVS number on worksheet – and retains it in patient's medical record
- Prescriber writes MVS number on prescription

MVS Prescriber Worksheet

Worksheet is divided into 6 sections

- Verification
- Prior authorization information
- Prescriber Identifiers
- CIN
- Prescriber Phone #
- MVS Number

