

# NOTES

## MPA THIRD PARTY COMMITTEE MEETING

Thursday, March 10, 2010 – 9:30 a.m.

MPA Conference Center, Lansing

### 1.0 Call to Order & Roll Call

The meeting was called to order by Chair Kauffman at 9:40 a.m.

Members Present: Jeffrey Kauffman, Chair; Jeffrey VanWormer, Vice Chair; James Bock, MPA Executive Board Liaison; Jason Beach; William Drake; Yvonne Gallagher; James Horton; Suzanne Lake; Joseph Leonard; Ron Melaragni; Brian Peltz; Kevin Roeder

Members Absent: Paul Jensen, MPA Executive Board Liaison; Carrie Germain; Bryon Higgins; Dawn Parsons; Jeffrey Rowe; Jim Tussey

Also Present: Karen A. Jonas, MPA Staff Liaison; Lance Downs; Rachael McWethy, FSU student

### 1.1 Antitrust Statement

The MPA antitrust statement was made available to Committee members.

### 2.0 Welcome to New Committee Members and Introductions

Members introduced themselves followed by a welcome from Chair Kauffman to the new members of the Committee.

### 3.0 Additions to/Approval of Agenda

The Agenda was amended to include: 5.4.1, Changes in Payment Structure and 5.1.2, Pediatric Medications. The amended Agenda was approved by consensus.

### 4.0 Approval of Dec. 17, 2009, Notes

The Notes from the Dec. 17, 2009, meeting were approved by consensus.

### 5.0 New Business

#### 5.1 Michigan Medicaid

##### 5.1.1 Medicaid Health Plan Pharmacy Carve-out; MSA 10-08

Peltz provided the Committee with an update on a new policy change by MDCH which changes the billing process for the 60/40 carve-out medications to a 100 percent carve out. The Committee discussed at length how this policy change will have an impact on pharmacies as well as the beneficiary copayment changes. Providers expressed concerns that many beneficiaries would not be able to afford the copayments as previously many of these medications did not have a copay and how this may result in increased bad debt for the providers.

Jonas provided additional information to the Committee about the updated PBM contract for Medicaid as well as the change in MAC Managers from 4D to First Health. Jonas shared that the Department is in the process of finalizing a policy that will allow for pharmacists to be reimbursed for providing seasonal flu vaccines for Medicaid beneficiaries. Drake expressed some concern about this policy paying at the rate for H1N1 and that Medicaid needs to be aware that a physician can also bill for the cost of an office visit in addition to the administration rate and vaccine product cost.

#### **5.1.2 Pediatric Medications**

Melaragni asked the Committee to clarify with the Medicaid Policy Department the coverage status of pediatric compounds during the Medicaid Pharmacy Provider Liaison meeting.

### **5.2 BCBSM**

The Committee discussed the need to continue to work with Blue Cross Blue Shield of Michigan (BCBSM) on audit issues and extrapolation. Committee members suggested meeting with OFIR regarding the BCBSM provider class plan and audit issues. Drake expressed concerns with BCBSM moving from a 34-day supply to 30 days and how this not only impacts the patients but also the providers.

### **5.3 Medicare**

#### **5.3.1 CMS Overpayment Letters on 2006 DME Claims**

Bock and Gallagher indicated they are still seeing additional recoupment audits by CMS on DME claims. Bock indicated CMS is also out auditing pharmacies who have been recently accredited. Drake suggested that the auditors are misinterpreting supplier standard #4 and that pharmacies need to ask for clarification on what CMS is really looking for.

#### **5.3.2 Argus EOB Fees - 2010**

Jonas asked the Committee if they are seeing strange fees on Argus EOB statements. Several pharmacies have reported unusual fees and MPA is trying to gather information. Gallagher indicated that following the AWP lawsuit, many plans recontracted with pharmacy providers and these contracts contained hidden fees.

### **5.4 Miscellaneous**

The Committee discussed concerns related to the requirement that the MCIR application requires a physician signature and that MPA work to get this changed.

Drake shared with the Committee information from NY that contained group payment with the origin code for electronic prescribing and that Michigan should consider asking for a reimbursement to the pharmacy for costs related to electronic prescribing under Medicaid by the method of an administrative fee separate from the dispensing fee. The Committee identified that SureScripts have recently decreased their fees but it's possible that software vendors have not yet dropped their rates.

The Committee discussed the need to work with the various prescribing organizations to help educate them about appropriate electronic prescribing.

#### **5.4.1 Changes in Payment Structure**

Melaragni indicated that EOBs from Medco are a mess and wondered if anyone else is having issues. Roeder indicated that he has a software program that reconciles these claims and will get the name of the program for the Committee.

### **6.0 Legislative Report**

#### **6.1 Audit Bill of Rights (HB 5475, 5476)**

Jonas provided an update to the Committee on the status of the Audit Bill of Rights legislation and that conversations continue with the Michigan Association of Health Plans on a compromise that both parties can agree to.

#### **6.2 PBM Legislation (HB5772)**

Jonas discussed the PBM legislation and that currently there is much opposition to the bill from health plans as well as PBMs. Jonas indicated that providers will need to assist in communicating the issues regarding the PBMs with their state legislators to assist this bill in having any chance of a hearing. PBM transparency and regulation was included in the national health care reform but to what extent has yet to be determined.

#### **6.3 National Health Care**

The Committee discussed concerns about the national health care reform and how it will impact pharmacy providers and patients. Jonas shared some pharmacy-specific information that is being included in the health care reform legislation such as DME accreditation exemption for pharmacy and an expanded role for MTM.

### **7.0 Old Business**

#### **7.1 Sales Tax on DME Supplies and OTC Prescriptions**

Drake shared with the Committee the latest issue regarding the Michigan Department of Treasury sales tax audits of pharmacies on DME and OTC items. The Committee discussed that it would be beneficial for PBMs to be required to break out on the EOB what the sales tax is.

#### **7.2 Annual Convention**

The Committee suggested lengthening the amount of time participants are allowed to complete the CE evaluation and posttests. Committee members indicated that the hotel staff was excellent, very polite. The Committee suggested bring back Felkey and the MTM speaker from BCBSM.

**8.0 New Business**

**8.1 Third Party Committee Charges**

Committee members discussed the need to get Michigan-specific MTM data.

**9.0 2010 Meeting Schedule (June 16, Sept. 8, Dec. 8)**

The Committee was reminded of the schedule of Committee meetings for the remainder of the year.

**10.0 Adjournment**

There being no further business, the meeting was adjourned at 1:35 p.m.

Respectfully submitted:

Karen A. Jonas, MPA Staff Liaison