**CY 2017 Medicare Part D CMS Transition Process**

**H0602**

**Purpose:**

The purpose of this policy is to describe Rocky Mountain Health Plans’ process for transition and ensure that continued drug coverage is provided to new and current Part D members. The transition process allows for a temporary supply of drugs and sufficient time for members to work with their health care providers to select a therapeutically appropriate formulary alternative, or to request a formulary exception based on medical necessity. Transition processes will be administrated by Rocky Mountain Health Plan’s PBM, MedImpact, in a manner that is timely, accurate and compliant with all relevant CMS guidance and requirements as per 42 CFR §423.120(b)(3).

**Scope:** This policy is necessary with respect to: (1) new enrollees into prescription drug plans (2) the transition of newly eligible Medicare beneficiaries from other coverage; (3) the transition of individuals who switch from one plan to another after the beginning of a contract year; (4) enrollees residing in long-term care (LTC) facilities; and (5) in some cases, current enrollees affected by formulary changes from one contract year to the next. Applicable personnel in Government Programs, Health Services and Operations follow this policy. This document is intended to describe processes necessary to meet regulatory requirements as of the effective date above.

**Policy:**

1.1 **Overview**

Rocky Mountain Health Plans (RMHP) will support the CMS required transition process for enrollees prescribed Part D drugs that are non-formulary or subject to utilization management edits by offering an integrated solution at a retail, home delivery, long term care, home infusion, safety net or ITU pharmacy. RMHP will maintain an appropriate transition process consistent with 42 CFR §423.120(b)(3) that includes a written description of how, for enrollees whose current drug therapies may not be included in the RMHP Part D formulary, it will effectuate a meaningful transition for:

- New enrollees to the plan.
- Newly eligible Medicare beneficiaries that have transitioned from other coverage.
- Enrollees who switch from one plan to another after the beginning of a contract year
- Enrollees residing in long-term care (LTC) facilities,
- Current enrollees affected by formulary changes from one contract year to the next,
- In some cases, enrollees who change treatment settings due to a change in level of care.
- In some cases, current enrollees affected by formulary changes from one contract year to the next

RMHP will utilize MedImpact as our claims processor. The medication transition process described below is consistent with the policies of MedImpact and capabilities of their pharmacy claims adjudication system.
RMHP will ensure that its transition policy will apply to non-formulary drugs, meaning both (1) Part D drugs that are not on a plan’s formulary, (2) drugs previously approved for coverage under an exception once the exception expires, and (3) Part D drugs that are on a plan’s formulary but require prior authorization or step therapy, or that have an approved QL lower than the beneficiary’s current dose, under a plan’s utilization management rules. RMHP ensures that its policy addresses procedures for medical review of non-formulary drug requests, and when appropriate, a process for switching new Part D plan enrollees to therapeutically appropriate formulary alternatives failing an affirmative medical necessity determination.

Also in accordance with CMS requirements, RMHP ensures that drugs excluded from Part D coverage due to Medicare statute are not eligible to be filled through the transition process. However, to the extent that a Plan covers certain excluded drugs under an Enhanced benefit, those drugs should be treated the same as Part D drugs for the purposes of the transition process.

1.2 Transition Population

RMHP will maintain an appropriate transition process consistent with 42 CFR §423.120(b)(3) that includes a written description of how, for enrollees whose current drug therapies may not be included in their new Part D plan’s formulary, it will effectuate a meaningful transition for: (1) new enrollees into prescription drug plans at the start of a contract year, (2) newly eligible Medicare beneficiaries from other coverage, (3) enrollees who switch from one plan to another after the start of a contract year, (4) current enrollees affected by negative formulary changes across contract years, (5) enrollees residing in long-term care (LTC) facilities.

1.3 Transition Period

RMHP allows 90 days from the start of coverage. The 90 days are calculated from the plan start date. RMHP will extend its transition policy across contract years should a member enroll in a plan with an effective enrollment date of either November 1 or December 1 and need access to a transition supply.

- For members that are new to RMHP or that are re-enrolling but had a break in coverage, RMHP’s default process will set the transition start date to match the member’s effective date within the group.

- For existing (non-new) members that are assigned to a new group within the same health plan, RMHP’s default process will analyze the change in group number assignment to determine if it results in a new CMS contract and/or plan assignment.
  - If the change in group number resulted in a new CMS contract and/or plan assignment, the member’s transition start date will be updated to mirror the effective date of the group change.
  - If the change in group number did not result in a new CMS contract and/or plan assignment, the member’s transition start date will remain as is and will not be updated.

RMHP will ensure that it will apply all transition processes to a brand-new prescription for a non-formulary drug if it cannot make the distinction between a brand-new prescription for a non-formulary drug and an ongoing prescription for a non-formulary drug at the point-of-sale.
1.4 Implementation Statement

a) Claims Adjudication System: MedImpact has systems capabilities that allow RMHP to provide a temporary supply of non-formulary Part D drugs in order to accommodate the immediate needs of an enrollee, as well as to allow the Plan and/or the enrollee sufficient time to work with the prescriber to make an appropriate switch to a therapeutically equivalent medication or the completion of an exception request to maintain coverage of an existing drug based on medical necessity reasons.

b) Pharmacy Notification at Point-Of-Sale: MedImpact utilizes the current NCPDP Telecommunication Standard to provide POS messaging. MedImpact reviews NCPDP reject and approval codes developed during the External Codes List (ECL) process. Pharmacy messages are modified based on industry standards.

c) Edits During Transition: RMHP will only apply the following utilization management edits during transition at point-of-sale: edits to determine Part A or B versus Part D coverage, edits to prevent coverage of non-Part D drugs, edits to help determine Part D coverage (i.e., member level PAs) and edits to promote safe utilization of a Part D drug. Step therapy and prior authorization edits must be resolved at point-of-sale.

RMHP will ensure that the transition policy provides refills for transition prescriptions dispensed for less than the written amount due to quantity limit safety edits or drug utilization edits that are based on approved product labeling.

As outlined in 42 CFR §423.153(b), RMHP has implemented Point-of-Sale (POS) PA edits to determine whether a drug is covered under Medicare Parts A or B as prescribed and administered, is being used for a Part D medically accepted indication or is a drug or drug class or its medical use that is excluded from coverage or otherwise restricted under Part D (Transmucosal Immediate Release Fentanyl (TIRF) and Cialis drugs as an example).

d) Pharmacy Overrides at Point-Of-Sale: During the member’s transition period, all edits (with the exception of those outlined in section 1.4(c)) associated with non-formulary drugs are automatically overridden at the point-of-sale. Pharmacies can also contact RMHP’s Pharmacy Help Desk directly for immediate assistance with point-of-sale overrides. RMHP can also accommodate overrides at point-of-sale for emergency fills.

1.5 Transition Fills for New Members in the Outpatient (Retail) Setting

RMHP will ensure that in the retail setting, the transition policy provides for at least a one-time, temporary 30-day fill (unless the enrollee presents with a prescription written for less than 30 days in which case RMHP must allow multiple fills to provide up to a total of 30 days of medication.) anytime during the first 90 days of a beneficiary’s enrollment in a plan, beginning on the enrollee’s effective date of coverage. This applies to members new to RMHP and members coming to RMHP during the plan year from other coverage. If a brand medication is being filled under transition, the previous claim must also be brand (based on Comprehensive NDC SPL Data Elements File [NSDE] marketing status). If a generic medication is being filled under transition, the previous claim can be either brand or generic (based on NSDE marketing status).

1.6 Transition Fills for New Members in the LTC Setting

RMHP will ensure that in the long-term care setting: (1) the transition policy provides for a 91 to 98 day fill consistent with the applicable dispensing increment in the long-term care setting (unless the enrollee presents with a prescription written for less), with refills provided if needed during the first 90 days of a member’s enrollment in a plan, beginning
on the enrollee’s effective date of coverage; (2) after the transition period has expired, the transition policy provides for a 31- day emergency supply of non-formulary Part D drugs (unless the enrollee presents with a prescription written for less than 31 days) while an exception or prior authorization is requested; and (3) for enrollees being admitted to or discharged from a LTC facility, early refill edits are not used to limit appropriate and necessary access to their Part D benefit, and such enrollees are allowed to access a refill upon admission or discharge.

1.7 Emergency Supplies and Level of Care Changes for Current Members

An Emergency Supply is defined by CMS as a one-time fill of a non-formulary drug that is necessary with respect to current members in the LTC setting. Current members that are in need of a one-time Emergency Fill or that are prescribed a non-formulary drug as a result of a level of care change can be placed in transition via an NCPDP pharmacy submission clarification code. RMHP can also accommodate a one-time fill in these scenarios via a manual override at point-of-sale.

Upon receiving an LTC claim transaction where the pharmacy submitted a Submission Clarification Code (SCC) value of “18”, which indicates that the claim transaction is for a new dispensing of medication due to the patient’s admission or readmission into an LTC facility, MedImpact’s claims adjudication system will recognize the current member as being eligible to receive transition supplies and will only apply the point-of-sale edits described in section 1.4(c) of this policy. In this instance, RMHP does not need to enter a point-of-sale override.

1.8 Transition Across Contract Years

For current enrollees whose drugs will be affected by negative formulary changes in the upcoming year, RMHP will effectuate a meaningful transition by either: (1) providing a transition process at the start of the new contract year or (2) effectuating a transition prior to the start of the new contract year.

POS logic is able to accommodate option 1 by allowing current members to access transition supplies at the point-of-sale when their claims history from the previous calendar year contains an approved claim for the same drug that the member is attempting to fill through transition and the drug is considered a negative change from one plan year to the next. To accomplish this, POS looks for Part D claims in the member’s claim history that were approved prior to January 1 of the new plan year, and that have the same HICL value as the transition claim. Additionally, if a brand medication is being filled under transition, the previous claim must also be brand (based on NSDE marketing status). If a generic medication is being filled under transition, the previous claim can be either brand or generic (based on NSDE marketing status).

Negative changes are changes to a formulary that result in a potential reduction in benefit to members. These changes can be associated to removing the covered Part D drug from the formulary, changing its preferred or tiered cost-sharing status, or adding utilization management. The transition across contract year process is applicable to all drugs associated to mid-year and across plan-year negative changes.

1.9 Transition Extension

RMHP will make arrangements to continue to provide necessary Part D drugs to enrollees via an extension of the transition period, on a case-by-case basis, to the extent that their exception requests or appeals have not been processed by the end of the minimum transition period and until such time as a transition has been made (either through a switch to an appropriate formulary drug or a decision on an exception request). On a case-by-case basis, point-of-sale overrides can also be entered by RMHP in order to provide continued coverage of the transition drug(s).
1.10 Cost-sharing for Transition Supplies
RMHP will ensure that cost-sharing for a temporary supply of drugs provided under its transition process will never exceed the statutory maximum co-payment amounts for low-income subsidy (LIS) eligible enrollees. For non-LIS enrollees, RMHP must charge the same cost sharing for non-formulary Part D drugs provided during the transition that would apply for non-formulary drugs approved through a formulary exception in accordance with §423.578(b) and the same cost sharing for formulary drugs subject to utilization management edits provided during the transition that would apply if the utilization management criteria are met.

1.11 Six Classes of Clinical Concern
Per CMS guidance, members transitioning to a plan while taking a drug within the six classes of clinical concern must be granted continued coverage of therapy for the duration of treatment, up to the full duration of active enrollment in the plan. Utilization management restrictions and/or non-formulary status, which may apply to new members naïve to therapy, are not applied to those members transitioning to the Medicare Part D plan on agents within these key categories. The six classes include:

1) Antidepressant;
2) Antipsychotic;
3) Anticonvulsant;
4) Antineoplastic;
5) Antiretroviral; and
6) Immunosuppressant (for prophylaxis of organ transplant rejection).

1.12 Member Notification
MedImpact provides RMHP (via FTP) with two daily files called the Transition Notification “All” File and the Transition Notification “Print” file. The Transition Notification “All” File, which contains claims data and other member information, provides Plans with all of the information needed to contact members and providers regarding transition fills. The Transition Notification “Print” File includes necessary member and claims data needed to produce member notices. This file was created to allow the ability to produce one transition notice per member within a 100 day period where the drug, transition type and applicable drug restrictions are the same.

RMHP will send written notice via U.S. first class mail to enrollee within three business days of adjudication of a temporary transition fill. The notice must include (1) an explanation of the temporary nature of the transition supply an enrollee has received; (2) instructions for working with RMHP and the enrollee's prescriber to satisfy utilization management requirements or to identify appropriate therapeutic alternatives that are on the plan's formulary; (3) an explanation of the enrollee's right to request a formulary exception; and (4) a description of the procedures for requesting a formulary exception. For long-term care residents dispensed multiple supplies of a Part D drug in increments of 14-days-or-less, consistent with the requirements under 42 CFR 423.154(a)(1)(i), the written notice must be provided within 3 business days after adjudication of the first temporary fill. RMHP will use the CMS model Transition Notice via the file-and-use process or submit a non-model Transition Notice to CMS for marketing review subject to a 45-day review.
RMHP will ensure that reasonable efforts are made to notify prescribers of affected enrollees who receive a transition notice.

RMHP will make the transition policy available to enrollees via link from Medicare Prescription Drug Plan Finder to RMHP web site and include in pre-and post-enrollment marketing materials as directed by CMS.

1.13 Provider Notification
MedImpact provides RMHP (via FTP) with a file to assist in producing a Prescriber Transition Notification letter to be mailed to the prescriber at the same time the transition letter is mailed to the member. This information is obtained from the existing Transition Notification Files that are sent to plans daily, as described above. The file/letter includes the following:

- Prescriber information
- Member information
- Transition claim details

1.14 PDE Reporting
Since this is a CMS required process, any drugs dispensed that qualify under the transition period are reported as covered Part D drugs with appropriate Plan and member cost sharing amounts on the Prescription Drug Event (PDE).

1.15 CMS Submission
RMHP will submit a copy of its transition process policy to CMS.

1.16 Pharmacy and Therapeutics Committee Role
The MedImpact Pharmacy and Therapeutics Committee (P&T) maintains a role in the transition process in the following areas:

1) The MedImpact P&T committee reviews and recommends all MedImpact formulary step therapy and prior authorization guidelines for clinical considerations; and

2) The MedImpact P&T committee reviews and recommends procedures for medical review of non-formulary drug requests, including the MedImpact exception process.

1.17 Exception Process
RMHP follows an overall transition plan for Medicare Part D members; a component of which includes the exception process. RMHP’s exception process integrates with the overall transition plan for these members in the following areas:

1) RMHP’s exception process complements other processes and strategies to support the overall transition plan. The exception process follows the guidelines set forth by the transition plan when applicable.

2) When evaluating an exception request for transitioning members, the Plan’s exception evaluation process considers the clinical aspects of the drug, including any risks involved in switching, when evaluating an exception request for transitioning members.

3) The exception policy includes a process for switching new Medicare Part D plan members to therapeutically appropriate formulary alternatives failing an affirmative medical necessity determination.

RMHP will make available prior authorization or exceptions request forms upon request to both enrollees and prescribing physicians via a variety of mechanisms, including mail, fax, email, and on Plan web sites.