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# Health Innovation Subcommittee

Wednesday, October 25, 2017  
8:30 AM – 10:00 AM  
Mashburn Hall (306 HOB)

Richard Corcoran  
Speaker

MaryLynn Magar  
Chair

# Committee Meeting Notice

## HOUSE OF REPRESENTATIVES

### Health Innovation Subcommittee

**Start Date and Time:** Wednesday, October 25, 2017 08:30 am  
**End Date and Time:** Wednesday, October 25, 2017 10:00 am  
**Location:** Mashburn Hall (306 HOB)  
**Duration:** 1.50 hrs

Presentation on Medicaid pharmacy networks, by the Agency for Health Care Administration

**NOTICE FINALIZED on 10/18/2017 1:32PM by Krause.Jessica**

# Medicaid Managed Care Pharmacy Networks

Beth Kidder  
Deputy Secretary for Medicaid

Presented to:  
House Health Innovation Subcommittee  
October 25, 2017

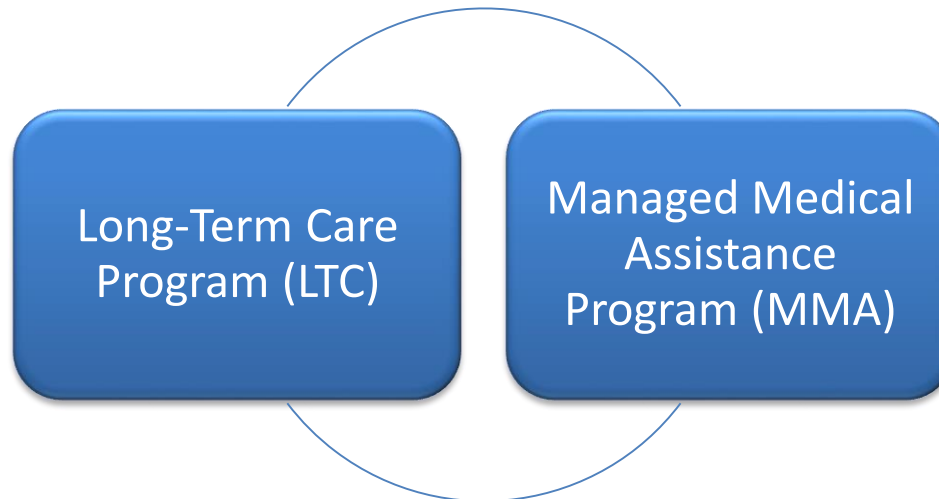


# Florida's Medicaid Program

## Statewide Medicaid Managed Care

- In 2011, the Florida Legislature directed the Agency to create the Statewide Medicaid Managed Care program.

*Two Key Components*

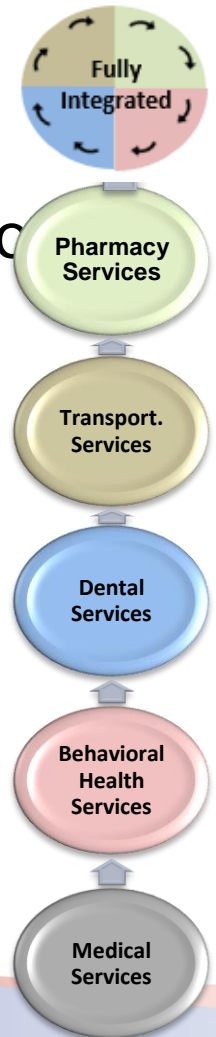


- Implemented in 2013 and 2014



# Managed Medical Assistance Program (MMA) Covers a Wide Array of Services

- The Agency contracts with MMA health plans to provide Medicaid covered services to enrollees.
- MMA plans are fully integrated plans responsible for covering a wide breadth of services including:
  - Preventive and acute medical services
  - Behavioral health services
  - Dental services
  - Transportation services
  - Pharmacy services



# Many Tools to Ensure Access to Services

- MMA health plan contracts are designed to ensure that plans provide Medicaid recipients with access to all medically necessary covered services and to all needed providers in a timely manner.
  - Contracts provide the Agency with numerous tools to ensure compliance with all contract requirements, including:
    - Liquidated damages
    - Corrective action plans
    - Sanctions
    - Enrollment freeze
    - Contract termination
- Limited provider networks and adequacy standards.



# Ensuring Access: Limited Networks

- Plans can limit providers in their network to those who provide efficient services, access results, and meet high quality and performance.
- This gives the state leverage to ensure access:
  - Providers must be available within a certain drive time and distance for each enrollee.
  - There are provider to recipient ratios to ensure enough providers are available.
  - All provider types and specialties must be available.
- Limited networks allow the state to hold plans accountable for ensuring the providers in their networks accept Medicaid patients.



# Managed Medical Assistance Program (MMA) Pharmacy Networks

- As the program came to maturity stakeholders noted some concerns with the make-up of some plans' pharmacy networks.
- Concerns included:
  - Plans relying too heavily on large chain pharmacies.
    - Independent pharmacies being excluded from plan networks.
  - Nature and responsibilities of subcontracted pharmacy benefit managers.





# Agency Actions to Improve Pharmacy Services

- Significantly strengthened pharmacy network provider requirements through
  - Reduced maximum drive times
  - Reduced maximum distances
- The changes were implemented in two phases in order to provide sufficient time for the health plans to comply.
- Investigated the statewide distribution of large chain, small chain and independent pharmacies in MMA health plans' networks.
- Reviewed pharmacy benefit manager roles and responsibilities.

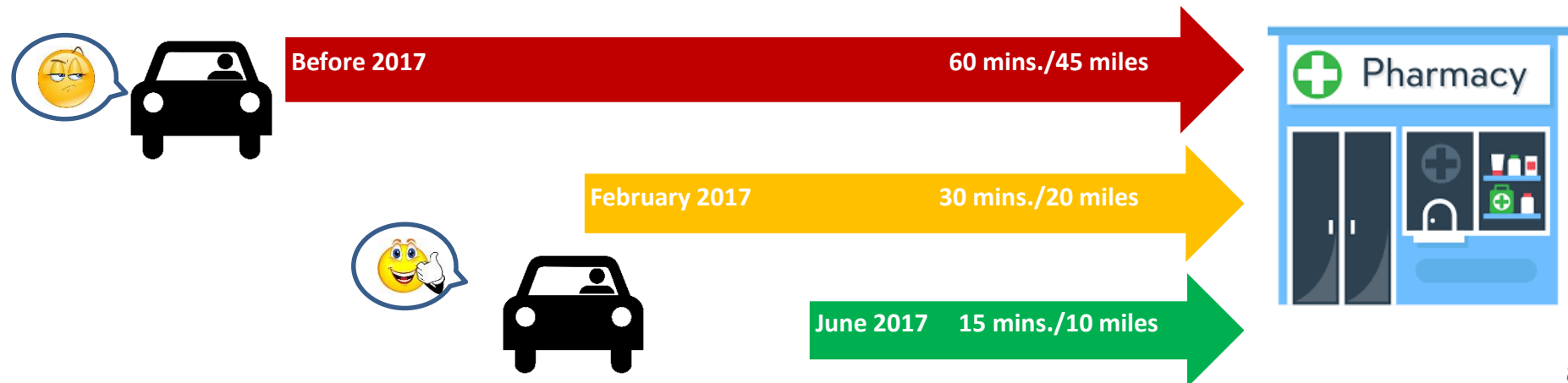


# Strengthening Pharmacy Network Requirements: Drive Time and Distance

## Urban Communities – Drive Time/Distance:



## Rural Communities – Drive Time/Distance:



# New Pharmacies Added to Each Plan to Comply with Stronger Network Standards

Plan Name	Number of New Pharmacies (January - July 2017)
Aetna Better Health of Florida	202
Amerigroup Florida	450
Better Health	253
Community Care Plan	131
Humana Medical Plan	257
Molina HealthCare of Florida	885
Prestige Health Choice	299
Simply HealthCare	91
Staywell	1,464
Sunshine Health	65
United	72



# Distribution of Pharmacies in MMA Program Mirrors the Industry as a Whole

- The Agency analyzed the statewide distribution of large chain, small chain, and independent pharmacies.
  - Department of Health licensure data
- Result:
  - The distribution of pharmacies within the Medicaid MMA networks closely follow the distribution of all licensed pharmacies statewide.
- Health plans include chain pharmacies in their networks to ensure they have enough pharmacies to meet enrollee needs.



# Pharmacy Network Analysis Detail

- 59% of Florida pharmacies are one the following:
  - CVS
  - Walgreens
  - Publix
  - Wal-Mart/ Sam's Club
  - Winn Dixie
- 62% of MMA plans' pharmacy provider networks are made up of these large chain pharmacies.
- 87% of other pharmacies (not large chains) are contracted with an MMA plan.



# Pharmacy Network Analysis Detail

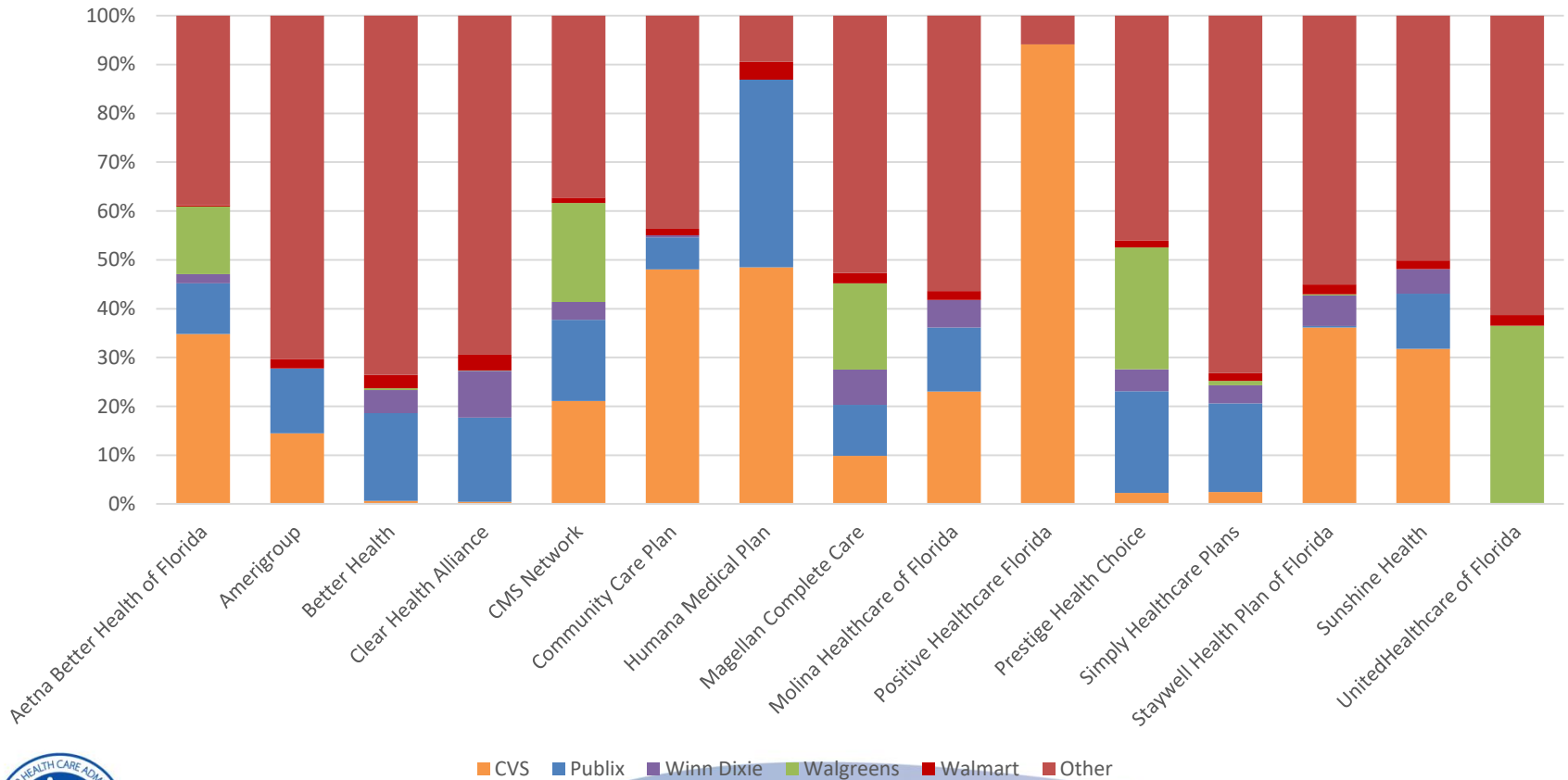
	Licensed Community Pharmacies (Percent)	MMA Plans' Pharmacy Networks (Percent)	Licensed Community Pharmacies (Number)	MMA Plans' Pharmacy Networks (Number)
All Other Pharmacies	41%	38%	2,042	1,771
CVS	17%	18%	859	858
Walgreens	17%	18%	820	818
Publix	14%	15%	689	688
Wal-Mart/ Sam's	8%	8%	378	377
Winn-Dixie	3%	3%	146	146
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>4,934</b>	<b>4,658</b>



**Note: Data as of July 19, 2017**

# Pharmacy Network Analysis Detail

SMMC Statewide Pharmacy Network



**Note: Data as of July 19, 2017**

# Role of Pharmacy Benefit Managers (PBMs)

- Health plans of all payer types utilize Pharmacy Benefit Managers (PBMs) to manage their pharmacy benefit and/or pharmacy network.
- PBMs provide the following services for Florida Medicaid fee-for-service and MMA plans:
  - Manage the pharmacy network.
  - Manage the pharmacy benefit (e.g., apply prior authorization criteria, provide enrollees with appeal rights).
  - Process pharmacy transactions at point of sale.
- The 16 Medicaid plans use 8 different PBMs.





# Role of Pharmacy Benefit Managers (PBMs)

- PBMs for Medicaid fee-for-service and MMA plans **DO**  
**NOT:**
  - Create a preferred drug list or formulary
    - MMA plans must use the preferred drug list developed by the Agency.
  - Require referrals to go to a particular pharmacy or “steer” recipients to particular pharmacies.
    - A recipient may go to any pharmacy within their plan’s network.
  - Negotiate rebates
    - The Agency negotiates all rebates for Medicaid.



# Questions?

