

Artia Insights: Arkansas Medicaid Implementation of PASSE Program

Background and Facts

Historically, Arkansas Medicaid functioned entirely as a Fee-for-Service Program in which there are currently 1,167,000 members qualified for Medicaid services in the state. On January 7, 2019, Cynthia Neuhofer, Pharmacy Administrator, signed a revised Attachment C to the State Plan, allowing the State to implement PASSE (Provider-led Arkansas Shared Savings Entities), a MCO model effective March 1, 2019. The PASSE program will only apply to individuals who are on the Developmental Disabilities Waiver or Wait list, live in a private DD Institutional Care Facility, or have a Behavioral Health diagnosis. However, all therapeutic classes of a member's pharmacy claims will be billed through their MCO. The total number of lives qualified for PASSE is 45,750.

The breakdown for the qualifying members includes:

- Approximately 4,600 individuals on the DDS Waiver and about 2,400 on the DDS Waiver Wait List
- Approximately 38,000 individuals with a behavioral health diagnosis whose independent assessment determined they have significant needs
- Approximately 750 people in private Intermediate Care Facilities

Attachment C includes the following:

- The current State Medicaid Plan permits the inclusion of Participating Medicaid MCO utilization in Supplemental Rebates and the State's contracts with MCOs do not prohibit such inclusion.
- The utilization of any Participating Medicaid MCO submitted is eligible for CMS Rebates.
- Each Participating Medicaid MCO shall align their respective formulary(ies) and/or preferred drug list(s), assuring access to preferred Supplemental Covered Product is no more restrictive than the State PDL requirements for any period with respect to which the State will invoice for Supplemental Rebates for utilization under this Agreement.
- It is the intent and expectation of the Medicaid Program that Supplemental Rebates hereunder shall be excluded from the Manufacturer's calculation of Best Price or AMP.
- MANUFACTURER CONSENT SHALL NOT BE REQUIRED FOR THE STATE TO AMEND THIS POLICY.

The three plans that will participate in the PASSE program are Empower Healthcare Solutions, Arkansas Total Care, and Summit Community Care.

The State has posted a 'FAQ' document that provides a general overview of the PASSE model at: https://humanservices.arkansas.gov/images/uploads/dms/PASSE_Pharmacy_FAQ.pdf

Artia Viewpoint on PASSE Program

The 45,750 lives are mostly a sub-population already included in the 1,167,000 members. The only increase to the number of new lives is 2,400 from the DDS Waiver Wait List. While this program is small and only applies to subset of the population, there are no restrictions from expanding the program to other sub-populations, or the entire Medicaid program.

ALL pharmacy claims will be reimbursed through a member's MCO. In addition to the Federal rebate, the manufacturer will now be responsible for paying the same supplemental rebate (if already contracted with FFS) per unit for MCO utilization. These supplemental rebates paid for MCO utilization will be exempt from Best Price calculations, since the SPA confirming this has been approved by CMS.

The Managed Care Plans will cover the same products as the State FFS PDL, however, the PASSE will be able to initiate individual formularies for non-PDL drugs. As far as drugs not listed on the State PDL but have clinical edits for approval, the differences for the Managed Care Plans' PA criteria are intended to be nominal since they cannot be more restrictive than the State FFS program. Time will show if this will be enforced once implemented. At this point, the MCO plans do not have any PA criteria listed on their websites. This could imply the plans intend on using the State's PA criteria, but it is not confirmed at this time. Since the plans' websites do not list any relevant information related to pharmacy benefits, it will become important to follow these plans for updated information at these sites:

<https://www.getempowerhealth.com/>

<https://www.arkansastotalcare.com/>

<https://www.summitcommunitycare.com/>

For further updates, the PASSE Homepage for Providers is located at:

<https://humanservices.arkansas.gov/about-dhs/dms/passe-provider-info/passe-resources-for-providers>

The State contact for the PASSE Program is Tanya Giles, Division of Medical Services, at 501-320-6189.