



PROVIDER INFORMATION NOTICE (PIN)

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PIN: 16 – 04 (REVISED)
TITLE: Pharmacy Phase Two Implementation for the Seven Pilot Sites
DATE: June 23, 2016 (Supersedes PIN 16-04 dated June 1, 2016)

This PIN is revised ONLY to remove Northeast Community Clinic as a participating pilot site and to provide additional information regarding required forms for any MHLA Participant who wishes to have prescription drugs mailed to them by the DHS Central Pharmacy.

THIS PIN ONLY APPLIES TO THE SEVEN (7) PILOT SITES BELOW

Background

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The Department of Health Services (DHS) has contracted with Ventegra, Inc. to establish a MHLA Pharmacy Network from which MHLA Participants can obtain MHLA Formulary and/or MHLA approved medications under the program.

In November 2015, MHLA stakeholders (DHS, Ventegra, select Community Partners (CP), and the Community Clinic Association of Los Angeles County (CCALAC) created a Pharmacy Phase Two workgroup to plan for and pilot a successful execution of Pharmacy Phase Two. This workgroup has discussed, tested and agreed upon key policy and operational processes for dispensaries and pharmacies for Pharmacy Phase Two. The workgroup has prioritized increased Participant access to medications, successful billing, claiming and reimbursement processes, creation and use of a MHLA formulary, CP systems readiness and CP and patient communications prior to go-live.

The MHLA Statement of Work states:

“Pharmacy Phase Two begins at the conclusion of Pharmacy Phase One and remains in effect for the remainder of the Agreement’s term including any renewal period if extended by the County. The Department shall give Contractor at least thirty (30) days’ advance written notice of the date upon which the Department anticipates Pharmacy Phase Two will commence.”

Provider Instructions

Pharmacy Phase One will conclude on **June 30, 2016** and Pharmacy Phase Two will commence on **July 1, 2016 only** for the following 7 Pilot CPs and the MHLA patients that are assigned to them:

- 1) Antelope Valley Community Clinic
- 2) Harbor Community Clinic
- 3) JWCH Institute, Inc.
- 4) Northeast Valley Health Corporation
- 5) Pediatric and Family Medical Center (Eisner)
- 6) St. John’s Well Child and Family Center, Inc.
- 7) University Muslim Medical Association, Inc. (UMMA)

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



Therefore, the following will cease for the 7 Pilot CPs:

- \$4 Pharmacy Monthly Grant Funding (Pharmacy MGF) for dates of services after July 1, 2016, in which CPs are paid a monthly fixed amount of \$4 for each Participant assigned to the CP without regard to the actual number or nature of Pharmacy Services provided to each Participant. The new MHLA Monthly Grant Funding amount in Pharmacy Phase Two after July 1, 2016 (which will now be paid for primary care services only) will be \$28.
- Pharmacy Encounter Data submission to AIA for dates of services after July 1, 2016. Because Ventegra will manage the acceptance and processing of pharmacy and claims data in accordance with the MHLA Statement of Work, these CPs seven (7) pilot CPs no longer need to submit pharmacy encounter data to AIA.

Please note that medications associated with Dental Services will continue to be submitted to AIA along with Dental claims.

The following information in this PIN **only applies to the seven (7) pilot sites** that are beginning Pharmacy Phase Two on **July 1, 2016**. Non-pilot CPs will continue to receive the \$4 Pharmacy Monthly Grant Funding (for a total MGF payment of \$32), will continue to submit their monthly pharmacy encounter data to AIA, and their MHLA patients will continue to access medications the same way that they do today.

MHLA Participant Medication Options and Communication

MHLA Participants may have MHLA medications filled at their clinic's licensed on-site dispensary, on-site pharmacy, or an off-site pharmacy that is in the Ventegra network.

During Pharmacy Phase Two, the CP is responsible for providing prescriptions to Participants for medically necessary medications associated with conditions for which Participant is receiving Included Services in accordance with the MHLA Formulary, including obtaining prior authorizations for non-formulary medications.

CPs may **not** charge any Participant for medically necessary, primary care medications related to the provision of MHLA Included Services as defined in the MHLA Agreement, but **may** charge Participants for medications related to a MHLA non-covered service (i.e. hair loss, erectile dysfunction etc.).

Ventegra will receive nightly updates of the MHLA eligibility file from DHS in order to be able to verify participant eligibility prior to dispensing at a Ventegra contracted pharmacy. Ventegra will also have One-e-App look-up access should a Participant enroll and attempt to have a prescription filled on the same day. To help ensure access to needed medications, Ventegra is authorized to dispense up to 72 hours of non-340B, formulary medications in those instances where the current eligibility status of a MHLA Participant is in question or cannot be immediately verified.

Existing and new MHLA Participants of just the Pharmacy Phase Two pilot sites will receive a replacement MHLA ID card around July 1, 2016. This new card will include Ventegra's BIN, PCN and group number as well as Ventegra's Customer Care Team (CCT) telephone number (1-855-444-7757). The CCT will assist these MHLA Participants with pharmacy related questions and issues. Information about the new pharmacy program will be included along with the replacement ID card. All other MHLA Participants (i.e. Participants who are assigned to non-pilot sites) will receive their replacement ID cards at a later date. An English and Spanish fact sheet for patients is attached to this PIN (Attachment A).

Dispensaries

Any CP with a dispensary must have a valid State Board of Pharmacy permit in order to dispense medications and meet all State Board of Pharmacy regulations for clinic medication dispensing. Eligible Dispensaries, as defined in the MHLA Agreement, will be compensated for all MHLA formulary and prior authorization approved medications provided to Participants contingent upon submission of the medication dispensing data to Ventegra.

Dispensaries must submit all dispensed reimbursable medication claims to Ventegra in accordance with the MHLA/Ventegra Dispensary File Layout (Attachment B) within 24 hours of dispensing. If the next day is a holiday or weekend, data must be transmitted the next business day to Ventegra.

Please see Attachment B for more detailed information on the ways that this dispensary data can be submitted to Ventegra, as well as a Ventegra contact if you have questions about how to submit this data.

Dispensaries will be reimbursed four dollars (\$4.00) per 30-day supply of generic and/or two dollars (\$2.00) for over-the-counter (OTC) formulary agents as indicated in the MHLA Formulary. All other formulary agents (with a 340B drug ingredient cost exceeding \$4.00 per 30-days) or prior authorization approved non-formulary agents will be paid the medication's 340B drug ingredient cost and an administrative fee of five dollars (\$5.00). Drugs dispensed through a Patient Assistance Program (PAP) are not reimbursable. Dispensaries are required to submit all PAP applications for PAP drugs.

A Remittance Advice (R.A.) for payment of pharmaceuticals dispensed by a dispensary will be sent to CPs directly from Ventegra and will reflect one calendar month of dispensing. DHS will then issue the check to CPs based on that R.A. The R.A. for pharmaceuticals and the R.A for MGF will reflect the same service calendar month for ease of patient/pharmacy payment reconciliation by the CP.

Consistent with Business and Professions Code section 4170(a)(7), all CPs must provide the Participant with written disclosure that the Participant has a choice between obtaining the prescription from the CP's onsite pharmacy or dispensary, or obtaining the prescription at a MHLA network pharmacy of the Participant's choice.

On-site State Licensed Pharmacies

On-site licensed pharmacies are pharmacies that are located on the CP's clinic premises. To be part of the MHLA pharmacy network, the on-site State licensed pharmacy must contract with Ventegra to be part of the network.

On-site Pharmacies will be reimbursed as follows:

- \$4.00 for a 30-day supply of drugs designated in the MHLA formulary as DHS-4, or,
- Clinic's wholesaler 340B price plus a dispensing fee in accordance with the terms and conditions established by Ventegra, or,
- A total flat fee of two dollars (\$2.00) for OTC formulary agents as indicated in the MHLA Formulary. On-site State Licensed Pharmacy cannot charge Participants for medications on the \$2 OTC list; however, they may send the Participants to a retail (off-site) pharmacy to purchase OTCs.

Ventegra will pay CPs with on-site licensed pharmacies for reimbursable medications on a weekly basis, a process which will begin approximately three weeks after the launch of Pharmacy Phase Two, to allow Ventegra sufficient time to process the first batch of claims, manage return-to-stock and reconcile cancelled prescriptions.

CPs with on-site pharmacies in the Ventegra network must obtain all applicable, necessary information required to submit to DHS for PAP medication submissions.

340B Contract Pharmacies

In accordance with the MHLA Agreement, CPs are required to have access to 340B drug pricing and be registered with the Health Resource Services Administration (HRSA) Office of Pharmacy Affairs (OPA) with the exception of clinic sites located in Service Planning Area (SPA) 1. CP clinic sites without an on-site licensed pharmacy are also required to register at least one MHLA contracted 340B pharmacy with HRSA OPA to dispense 340B medications to MHLA Participants.

CPs can opt to register DHS Central Pharmacy, a retail 340B pharmacy, or both, to fulfill their contractual obligation to register at least one 340B pharmacy with HRSA OPA.

For those CPs who registered DHS Central Pharmacy (as well RX E-Fill Solution, who will be performing the medication filling, labeling and mailing on behalf of DHS), CPs executed a three-party 340B Contract Pharmacy Services Agreement between the CP, DHS, and Cardinal. This three-party pharmacy agreement allows the DHS Central Pharmacy to process 340B medications prescribed by CP's and for RX E-Fill Solutions Pharmacy to fill, label and mail these medications to MHLA Participants. These clinics will also need to set up a wholesaler account with Cardinal Health™, which includes a one-time account set up fee of approximately \$150 (there are no monthly maintenance fees paid by CPs who set up an account to use Cardinal for pharmaceuticals processed through the DHS Central Pharmacy).

MHLA Participants who wish to have prescription drugs mailed to them from the DHS Central Pharmacy will need to fill out a New Patient Mail Order Pharmacy Enrollment Form ([Attachment J](#)). For more information about how to submit prescriptions to DHS Central Pharmacy refer to Attachment J.

For those CPs who registered a retail 340B contract pharmacy to dispense 340B medications to MHLA Participants (i.e. the CP registered a 340B pharmacy other than the DHS Central Pharmacy), a two-party Agreement was required between the licensed pharmacy and Ventegra.

Ventegra as a 340B Administrator Option

Ventegra has the ability to provide 340B compliance and administration services for 340B covered entities such as 340B virtual inventory, drug tracking and drug replenishment for MHLA patients only. Ventegra is offering all MHLA CPs their 340B administration services free of charge for MHLA patients only. Clinics may, but are not obligated, to use Ventegra as their 340B administrator for MHLA patients. Any CP who wishes to use Ventegra as their 340B administrator will need to execute a three-party agreement between the CP, Ventegra, and the 340B pharmacy/pharmacies.

No CP is obligated to use Ventegra as their 340B administrator if they do not wish to, however, any CP that does not wish to use Ventegra as their 340B administrator will need to sign a DHS waiver indicating their desire to forgo Ventegra's 340B administration services for their MHLA Participants. DHS will not cover any costs incurred by a CP related to their use of another, non-Ventegra 340B administrator.

340B Medical Prescriber Verification Process

The MHLA Program will have a closed Prescriber Panel for 340B drugs. This means that if a retail pharmacy is going to fill a 340B drug that a CP health care provider has prescribed, Ventegra must have that individual listed in their provider database.

Ensuring that Ventegra has an up-to-date Prescriber Panel, including temp and per diem providers, is contingent on each CP communicating all updates or changes to their Provider list with the MHLA Contract Administration Unit immediately. These changes should be communicated to the MHLA Contract Administrator using the Medical Provider and Health Professional Staff form (Attachment C) as required by the MHLA Agreement. **NOTE:** Each approved clinic site that is providing Primary or Dental Services must have a Provider assigned to each approved dental clinic.

It is essential that all CPs update their provider list on an ongoing basis, including all temp and per diem providers, and notify MHLA Contract Administration immediately if there are any changes. If a MHLA CP prescriber is NOT on Ventegra's list as a prescriber, the 340B prescription will be rejected by the retail pharmacy until verification of the prescriber can be obtained by Ventegra.

MHLA Formulary

DHS maintains a MHLA Formulary (Attachment D), which describes reimbursable medications under the MHLA Program. CP must prescribe medications whenever possible using the MHLA Formulary. The MHLA Program requires the use of generic products whenever possible, in accordance with applicable law and regulations. Non-formulary and restricted medications will require prior authorization with approval prior to dispensing.

MHLA Formulary Request Process

The MHLA formulary is based on the DHS core formulary which is reviewed and maintained by the DHS Core P&T Committee. In accordance with the DHS Core P&T Committee Policy, CPs can request to have medications added or changed on the MHLA formulary by having the CP provider use the formulary request process, described below. The MHLA formulary can be accessed on the MHLA website under the section "For DHS and Community Partners" (Login: mhlacpp, Password: Lacounty1).

Any MHLA CP health care provider can submit a request to add a drug to the MHLA formulary. The MHLA Formulary Advisory Committee, made up of DHS, CCALAC and CP members, will consider the request and make a recommendation to the DHS Core P&T Committee. The DHS Core P&T Committee meets quarterly to review formulary requests recommended by the MHLA Formulary Advisory Committee and is responsible for making the final determination.

- The DHS Community Partners Primary Care Formulary Addition/Revision Request Form (Attachment E) must be used by CPs to request medications for formulary addition or revision. In addition, a Conflict of Interest Disclosure Form (Attachment F) must accompany the request in order to be considered (see below for more detail).
- The following sections must be completed by the requesting CP provider:
 - Requested drug
 - Type of request
 - Description of request
 - Reason for request
 - Formulary restriction recommendation (optional)

- All credentialing information must be completed for the requesting CP provider, including:
 - Physician printed name
 - Physician signature
 - Service
 - Telephone number
 - Mail location
 - Email address
- In addition, the requestor must estimate the monthly use of the medication by completing the box labeled “Estimated Monthly Consumption.”
- The completed form must be reviewed and signed by the Community Partner Agency Chief Medical Officer (CMO) prior to submission by the CP health care provider. Requests not signed by the Community Partner Agency CMO will not be reviewed.
- As previously described, all CPs must complete in full the Community Partners Conflict of Interest Disclosure Form along with the formulary addition/revision request. The following sections must be completed by the requestor:
 - Physician name, contact information, and Community Partner agency
 - Reason for the disclosure
 - Disclosure statement
 - List the potential conflict of interest, if applicable
- The requestor must sign and date the Community Partners Conflict of Interest Disclosure Form.
- Completed and signed forms must be submitted via fax to **DHS Pharmacy Affairs Office at (310) 669-5609**.
- All formulary requests recommended by the MHLA Formulary Advisory Committee will be reviewed at the following DHS Core P&T Committee meeting.

Prior Authorization Medication Request Process (PAMR) Use for Non-Formulary Medications

If a MHLA Participant’s clinical condition requires the use of a medication not on the MHLA Formulary (for primary care visits), the provider must submit a Prior Authorization Medication Request (PAMR) form (Attachment G) in advance, seeking authorization for use of a non-formulary drug. The PAMR form must be fully completed, including a justification for use of the non-formulary medication and a description of why a formulary drug is not appropriate. The PAMR must be completed and faxed to the **DHS Pharmacy Affairs Office at (310) 669-5609 or emailed to priorauth@dhs.lacounty.gov**. A clinical review of the request will be conducted by DHS pharmacy staff, and additional documentation may be requested of the CP after review.

- If the non-formulary medication **is** deemed appropriate, the PAMR approval will be faxed or securely emailed back to the CP and the designated preferred pharmacy/dispensary as indicated on the PAMR. The CP will also notify the patient to fill the prescription at the specified/preferred pharmacy/dispensary.
- If the non-formulary medication is **NOT** deemed appropriate, the PAMR will be denied and faxed back to the CP explaining the reason for the denial. A pharmaceutical claim will not be reimbursed for this medication.

DHS will provide a determination of the prior authorization request no later than one (1) business day after it was submitted by the CP.

Prior Authorization Medication Request Process (PAMR) for Patient Assistance Program (PAP) Reimbursement

The MHLA Formulary also identifies those medications for which pharmaceutical manufacturer PAPs are available for MHLA Participants. A PAP application must be submitted to the pharmaceutical manufacturer's PAP program for eligible patients to access these formulary items. If a patient does not qualify or is denied for the specific pharmaceuticals manufacturer PAP program, the PAMR form must be fully completed and faxed to the **DHS Pharmacy Affairs Office at (310) 669-5609 or emailed to priorauth@dhs.lacounty.gov** for prior authorization in accordance with the Prior Authorization process outlined above. A clinical justification must be provided, as well as the outcome of the manufacturer PAP application process for the specific patient. Additional documentation may be requested by DHS pharmacy staff after review, and upon request.

Existing MHLA patients who are currently stabilized on a PAP may be grandfathered prior to the launch of Pharmacy Phase Two (meaning a Prior Authorization is not required for these patients) A PAP grandfathering request can be made by submitting a Patient Assistance Program Grandfathering Notification Form ([Attachment H](#)) or Excel Spreadsheet ([Attachment I](#)) to **DHS Central Pharmacy via fax at 310-669-5609 or emailed to priorauth@dhs.lacounty.gov**. For the seven (7) pilot CPs listed above, this form **MUST** be submitted **PRIOR TO** Pharmacy Phase Two implementation date **July 1, 2016**. For all other CPs, this form and/or the Excel spreadsheet can be provided now but no later than one business day prior to the launch of Pharmacy Phase Two.

Requests for HIV Pre-Exposure Prophylaxis (PrEP)

Prior Authorization requests for **Truvada** for the purposes of HIV **Pre-Exposure Prophylaxis (PrEP)** should be approached as followed:

- CPs should submit the Prior Authorization Medication Request (PAMR) along with acknowledgment of Patient Assistance Program (PAP) Reimbursement application **via fax to DHS Pharmacy Affairs Office at (310) 669-5609 or emailed to priorauth@dhs.lacounty.gov**.
- Concurrently, clinics are requested to dispense a 30 day supply of Truvada to the MHLA Participant, as requests for Truvada for the purposes of PrEP are always approved by DHS.
- Assuming PAP is approved, the patient should continue to receive Truvada through PAP.
- In the case of PAP denial, DHS Pharmacy Affairs will continue to provide approval for Truvada for the purposes of PrEP.

Requests for HIV Post-Exposure Prophylaxis (PEP)

Requests for Truvada for **Post-Exposure Prophylaxis** is considered an emergency and the patient should be referred to the nearest emergency room for immediate care and Truvada administration in the emergency room setting.

- If HIV exposure occurs during business hours, the Post-Exposure Prophylaxis can be prescribed and dispensed immediately by the clinic without sending the patient to a DHS ER.
- CPs should submit the Prior Authorization Medication Request (PAMR) along with acknowledgment of Patient Assistance Program (PAP) Reimbursement application **via fax to DHS Pharmacy Affairs Office at (310) 669-5609 or emailed priorauth@dhs.lacounty.gov**.

- Concurrently, clinics are requested to dispense a 30 day supply of Truvada to the MHLA Participant, as requests for Truvada for the purposes of PEP are always approved by DHS.
- Assuming PAP is approved, the patient should continue to receive Truvada through PAP.
- In the case of PAP denial, DHS Pharmacy Affairs will continue to provide approval for Truvada for the purposes of PEP.

As previously mentioned, this PIN only applies to the seven (7) pilot sites who are beginning Pharmacy Phase Two on **July 1, 2016**. All other CPs will receive an updated PIN at least 30 days prior to the launch of Pharmacy Phase Two for them and another orientation will be scheduled at a later date (closer to full launch) for all non-pilot CPs.

If you have any questions, please contact your Program Advocate.



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Attachments:

- A - Fact Sheet
- B - MHLA/Ventegra Dispensary File Layout
- C - Medical Provider and Health Professional Staff
- D - MHLA Formulary
- E - The DHS Community Partners Primary Care Formulary Addition/Revision Request
- F - Conflict of Interest Disclosure
- G - Prior Authorization Medication Request (PAMR)
- H - Patient Assistance Program Grandfathering Notification
- I - Excel Spreadsheet for PAP Grandfathering Notification