



# Department of Health

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The SFY 2017-18 budget enacted changes to the Medicaid fee-for-service (FFS) pharmacy reimbursement effective 4/1/2017, to align with the Centers for Medicare and Medicaid Services (CMS) Final Rule on Covered Outpatient Drugs. As noted in the [January 2018 Medicaid Update](#), these changes were implemented on February 22, 2018 and, per the [January 2019 Medicaid Update](#), the New York State Department of Health (the Department) started to retroactively reprice pharmacy claims effective April 1, 2017 through February 21, 2018.

As was communicated in an email dated 3/1/2019, repricing was suspended when errors were identified for the 469 drugs referenced in the attached list. *Note: This suspension was effective with Cycle Number 2168, as Cycle Numbers 2166 and 2167 had already been fully processed when the errors were identified.*

The Department recognizes that for some pharmacies, cash flow has been impacted, and will be issuing lump sum payments to pharmacies that have been most significantly impacted. When a permanent fix is implemented for the 469 drugs, the lump sum payment will be recouped by the Department, ((date(s) and schedule to be determined.)) This lump sum payment will apply to pharmacies that had repriced claims for the 469 drugs referenced above, where the repriced amount for these drugs was more than \$1000 below the original remittance amount.

Once the permanent fix at the claim level is implemented, pharmacies will be appropriately paid for the 469 drugs, and therefore, the lump sum payment will be recouped (date and schedule - to be determined).

The chart below summarizes the claims that have been repriced and the expected date for the lump sum payment.

<b>Cycle Number</b>	<b>Service Date(s)</b>	<b>Check Date</b>	<b>Check Release Date</b>
2159	4/1/2017 (10,000 claims)	1/7/2019	1/23/2019
2162	4/1/2017 – 4/17/2017	1/28/2019	2/13/2019
2163	4/17/2017 – 4/30/2017	2/4/2019	2/20/2019
2164	4/30/2017 – 5/15/2017	2/11/2019	2/27/2019
2165	5/15/2017 – 5/30/2017	2/18/2019	3/6/2019
2166	5/30/2017 – 6/14/2017	2/25/2019	3/13/2019
2167	6/14/2017 – 6/29/2017	3/4/2019	3/20/2019*

\*A lump sum payment will be included for pharmacies that meet criteria, as described above and summarized in the illustrative example below. Details regarding how the lump sum payment will appear on the remittance will be provided before the remittance is sent.

The amount of the lump sum payment will be calculated, per the example below. This is an illustrative example and does not reflect how a particular pharmacy, or pharmacies in general have been impacted.

### Illustrative Example of Lump Sum Payment Calculation

Row #	Explanation	\$ Amount
1	Total Amount Remitted to Pharmacy in Re-Priced 2019 Cycle for the 469 NDCs affected ( <i>Service Dates Indicated Above</i> )	\$15,000
2	Total Amount Remitted to Pharmacy in Original 2017 Cycle for the 469 affected NDCs ( <i>Service Dates Indicated Above</i> )	\$20,000
3*	Row #1 minus Row #2	(\$5,000) *

\*A lump sum payment will be provided if amount in Row 3 is less than Row 1 and is equal to or greater than \$1,000.

The Department apologizes for any inconvenience this has caused and will continue to provide updates on this issue, as we progress through our diligent efforts to correct this issue as quickly as possible, while reducing any cash impact to pharmacies.

Any questions or concerns can be sent to [ppno@health.ny.gov](mailto:ppno@health.ny.gov).