

Commonwealth of Massachusetts Executive Office of Health and Human Services Office of Medicaid www.mass.gov/masshealth

> MassHealth All Provider Bulletin 373 July 2023

TO: All Providers Participating in MassHealth

FROM: Mike Levine, Assistant Secretary for MassHealth

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RE: Extension of Flexibilities for Prior Authorization of Formula

Background

In <u>All Provider Bulletin 343</u>, the Executive Office of Health and Human Services (EOHHS) announced modifications to the prior authorization (PA) process for formula. These modifications applied to both MassHealth durable medical equipment (DME) and pharmacy providers for a period of 90 days. <u>All Provider Bulletin 351</u> extended these flexibilities through December 31, 2022. <u>All Provider Bulleting 358</u> extended these flexibilities through June 30, 2023.

In response to continuing supply chain issues impacting formula availability, MassHealth is further extending its modified PA process for formula for both DME and pharmacy providers until additional guidance is published by MassHealth.

Specifically, MassHealth will continue to suspend all PA requirements on formula for pharmacy providers. For DME providers, MassHealth will continue its simplified PA process for PA requests for formula. In addition, MassHealth will continue to allow DME providers to obtain retrospective approval for formula dispensed to eligible MassHealth members (MassHealth continues to cover all medically necessary formula dispensed by DME providers). Additional details and effective dates for these policies are described below.

Please note that while formula dispensed by both DME and pharmacy providers will continue to require a prescription, **MassHealth strongly encourages prescribers to write down any appropriate substitute products on the prescriptions for formula, in addition to the preferred product**. This will enable the DME or pharmacy provider to dispense the substitute formula in the event the preferred product is unavailable without the need for a new or modified prescription.

These updates apply to MassHealth Standard, CommonHealth, CarePlus, Family Assistance, and Children's Medical Security Plan (CMSP) members whose pharmacy claims are paid through the Pharmacy Online Processing System (POPS), including members enrolled in MassHealth fee-for-service and the Primary Care Clinician (PCC) Plan or in a Primary Care Accountable Care Organization (PCACO). This change also applies to Health Safety Net patients. This coverage does not apply to MassHealth Limited members.

Formula Coverage through Pharmacy Providers

To address the shortage of formula, starting December 16, 2021, MassHealth has paid pharmacies to process and dispense pediatric enteral special formula and thickening agents through POPS.

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Effective May 17, 2022, MassHealth expanded coverage for formula dispensed through pharmacies to include all medically necessary formula. These items were added to the MassHealth Non-Drug Product List. In each case, a valid prescription is required.

MassHealth has allowed and will continue to allow formula to be dispensed by pharmacy providers without PA. This suspension of PA will continue until additional guidance is published by MassHealth.

Payment for Formula Dispensed by Pharmacy Providers

Pharmacies are paid for formula at the lowest of the Wholesale Acquisition Cost, the usual fee for patients other than publicly aided individuals or the actual charges submitted, as described in 101 CMR 446.03(3): *General Rate Provisions and Payment*.

Formula Coverage through DME Providers

MassHealth is continuing its streamlined PA review process for formula dispensed by DME providers and will also allow DME providers to dispense formula before obtaining authorization. Specifically, MassHealth's streamlined DME PA review is limited to review of prescriptions and manufacturer invoices. In addition, and notwithstanding the requirement in 130 CMR 409.418, *PA is not required before the delivery of formula supplied by a DME provider*. However, providers must have an approved authorization for formula before filing a claim. These policies are in effect now and will continue until additional guidance is published by MassHealth.

Expedited Review for Substitute/Replacement Formula

DME providers are reminded that, as set forth in prior informal guidance issued by MassHealth on February 24, 2022, and in <u>All Provider Bulletin 343</u>, MassHealth has expedited processing for substitute/replacement formula. DME providers should submit a new PA request when seeking a replacement/substitute formula. Please reference the existing PA number on the new PA request for replacement/substitute formula.

Payment for Formula Dispensed by DME Providers

Payment for formula dispensed by DME providers is governed by EOHHS rate regulation at 101 CMR 322.00: *Durable Medical Equipment, Oxygen and Respiratory Therapy Equipment*, found at <u>www.mass.gov/regulations/101-CMR-32200-durable-medical-equipment-oxygen-and-respiratory-therapy-equipment</u>.

Reminder about Women, Infants, & Children's (WIC) Program

Providers should also keep in mind the Massachusetts Department of Public Health's (DPH) Women, Infants, & Children (WIC) program, which is available to all MassHealth members who meet the basic WIC eligibility criteria. This is an important resource for MassHealth members who need support accessing standard formula that is not covered by MassHealth. More information on the WIC program is available at <u>www.mass.gov/orgs/women-infants-children-nutrition-program</u>. MassHealth All Provider Bulletin 373 July 2023 Page 3

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