APPENDIX A

Medi-Cal Rx Transition and NCQA Requirements

*The National Committee for Quality Assurance (NCQA) identified the pharmacy-related **2022 Health Plan Accreditation** (HPA) standards that apply to the state's Medi-Cal Rx program and the standards that are the organization's responsibility for accreditation.*

***Table 1a** provides details on impacted pharmacy-related standards; **Table 1b** provides details on UM 11. **Table 2** provides details on pharmacy-related standards that are unchanged.*

Table 1a: Pharmacy-Impacted 2022 HPA Standards:

	Standard/Element	***Met by the State's Medi-Cal Rx Program***	***Organization Responsibility for Medi-Cal Members***
QUALITY MANAGEMENT AND IMPROVEMENT (QI)			
QI 4: Continuity and Coordination Between Medical Care and Behavioral Healthcare[1]			
A	*Data Collection (factor 3)*		*X*
UTILIZATION MANAGEMENT (UM)			
UM 1: Program Structure			
A	*Written Program Description*	*X (pharmacy benefit)*	*X (medical benefit)*
B	*Annual Evaluation*	*X (pharmacy benefit)*	*X (medical benefit)*
UM 2: Clinical Criteria for UM Decisions			
A	*UM Criteria*	*X (pharmacy benefit)*	*X (medical benefit)*
C	*Consistency in Applying Criteria*	*X (pharmacy benefit)*	*X (medical benefit)*
UM 3: Communication Services[2]			
A	*Access to Staff*	*X (pharmacy benefit)*	*X (medical benefit)*
UM 4: Appropriate Professionals			
A	*Licensed Health Professionals*	*X (pharmacy benefit)*	*X (medical benefit)*
B	*Use of Practitioners for UM Decisions*	*X (pharmacy benefit)*	*X (medical benefit)*

[1] QI 4, Element A, factor 3 is applicable to Medi-Cal health plans because it requires collection of data on behavioral and medical practitioner adherence to prescribing guidelines for pharmaceuticals.
[2] Organizations are responsible for communication services if a member has a UM issue with a pharmaceutical covered under a medical benefit.

	Standard/Element	Met by the State's Medi-Cal Rx Program	Organization Responsibility for Medi-Cal Members
E	Practitioner Review of Pharmacy Denials[3]	X (pharmacy benefit)	X (medical benefit)
F	Use of Board-Certified Consultants	X (pharmacy benefit)	X (medical benefit)
UM 5: Timeliness of UM Decisions			
C	Notification of Pharmacy Decisions[3] (factors 2, 4, 7, 8)	X (pharmacy benefit)	X (medical benefit)
D	UM Timeliness Report (factor 3)	X (pharmacy benefit)	X (medical benefit)
UM 6: Clinical Information			
C	Relevant Information for Pharmacy Decisions[3]	X (pharmacy benefit)	X (medical benefit)
UM 7: Denial Notices[3]			
G	Discussing a Pharmacy Denial With a Reviewer	X (pharmacy benefit)	X (medical benefit)
H	Written Notification of Pharmacy Denials	X (pharmacy benefit)	X (medical benefit)
I	Written Notification of Pharmacy Appeal Rights/Process	X (pharmacy benefit)	X (medical benefit)
UM 10: Evaluation of New Technology[4]			
A	Written Process (factor 3)	X (pharmacy benefit)	NA
B	Description of the Evaluation Process	X (pharmacy benefit)	X (medical benefit)
UM 11: Procedures for Pharmaceutical Management (Table 1B)			
UM 12: UM System Controls			
A	UM Denial System Controls	X (pharmacy benefit)	X (medical benefit)
B	UM Denial System Controls Oversight	X (pharmacy benefit)	X (medical benefit)
C	UM Appeal System Controls	X (pharmacy benefit)	X (medical benefit)
D	UM Appeal System Controls Oversight	X (pharmacy benefit)	X (medical benefit)
MEMBER EXPERIENCE			

[3] Medi-Cal health plans pull pharmacy files for pharmaceuticals covered under a medical benefit for the look-back period on or after January 1, 2022; Medi-Cal health plans pull pharmacy files for pharmaceuticals covered under medical and pharmacy benefits for the look-back period before January 1, 2022.

[4] UM 10, Element A, factor 3 is NA for Medi-Cal health plans. The pharmaceutical aspect of Element B is NA for Medi-Cal health plans.

	Standard/Element	Met by the State's Medi-Cal Rx Program	Organization Responsibility for Medi-Cal Members
ME 2: Subscriber Information			
A	Subscriber Information (factor 2)	X (pharmacy benefit)	X (medical benefit)
ME 5: Pharmacy Benefit Information[5]			
A	Pharmacy Benefit Information Website	X	NA
B	Pharmacy Benefit Information Telephone	X	NA
C	QI Process on Accuracy of Information	X	NA
D	Pharmacy Benefit Updates	X	NA

[5] This standard is not applicable to Medi-Cal health plans because they are not responsible for administering or managing communication for pharmaceuticals covered under a pharmacy benefit. All Elements will be scored N/A.

Standard/Element		Met by the State's Medi-Cal Rx Program	Organization Responsibility for Medi-Cal Members
DELEGATION[6]			
A	*Delegation Agreement*	*X (pharmacy benefit)*	*X (medical benefit)*
B	*Predelegation Evaluation*	*X (pharmacy benefit)*	*X (medical benefit)*
C	*Review of Program*	*X (pharmacy benefit)*	*X (medical benefit)*
D	*Opportunities for Improvement*	*X (pharmacy benefit)*	*X (medical benefit)*

Table 1B: Impact of Medi-Cal Rx on UM 11—Procedures for Pharmaceutical Management

UM 11 Requirement	NCQA Guidance
Lookback period	***For Interim, First and Renewal surveys:*** ***Policy and procedure requirements:*** *NCQA reviews policies and procedures that were in place prior to the survey date.* ***Materials and Reports:*** *NCQA reviews evidence of actions (e.g., distribution) that occurred prior to the survey date.*
Element A: The organization's policies and procedures for pharmaceutical management include the following:	***NCQA reviews*** *the organization's policies and procedures that govern physician-administered drugs, as outlined below, as applicable.*
1. ***The criteria used to adopt pharmaceutical management procedures.***	*NCQA acknowledges that pharmaceutical management procedures differ for physician-administered drugs.* *Policy and procedure requirements that address traditional pharmaceutical management, such as procedures for having an exception process or procedures for generic substitution, therapeutic interchange and step therapy, may not apply.* *Organizations should present evidence to illustrate how drugs administered in a clinical setting are covered by medical management policies or coverage guidelines. Examples of evidence includes member handbooks or benefit booklets.*

[6] *NCQA does not require Medi-Cal health plans to oversee the entity (Magellan Medicaid Administration, Inc.) DHCS contracted with to manage Medi-Cal Rx functions covered under the standards and guidelines.*

	NCQA does not require procedures to address how drugs administered in a clinical setting are placed on formulary lists.
2. ***A process to use clinical evidence from appropriate external organizations.***	*NCQA acknowledges that clinical UM criteria and other clinical evidence govern UM decisions regarding physician-administered drugs.* ***NCQA reviews*** *all UM criteria in UM 2. For UM 11, NCQA reviews the aspects of the UM criteria that apply to physician-administered drugs.*
3. ***A process to include pharmacists and appropriate practitioners in the development of procedures.***	***NCQA reviews*** *the organization's policies and procedures that govern physician-administered drugs, such as medical management procedures, to ensure involvement of clinical pharmacists and appropriate practitioners on committees or other decision-making bodies.*
4. ***A process to provide procedures to practitioners annually and when it makes changes.***	*Factor 4 is NA for Medi-Cal health plans because NCQA evaluates distribution of medical UM criteria to practitioners, upon request, in UM 2.*
UM 11 Requirement	*NCQA Guidance*
Element B: Pharmaceutical Restrictions/ Preferences: Annually and after updates, the organization communicates to members and prescribing practitioners:	***NCQA reviews*** *distribution of procedures governing coverage of physician-administered drugs that could be included in medical management procedures; this may be the same documentation presented for UM 2.* ***NCQA reviews*** *components that apply to physician-administered drugs within medical management procedures in UM 11.* ***NCQA also reviews*** *evidence such as member handbooks and benefit booklets that contain coverage information about physician-administered drugs.* ***NCQA does not review*** *distribution of procedures governing physician-administered drugs to prescribers. Instead,* ***NCQA reviews*** *UM criteria, including those that apply to physician-administered drugs, in UM 2, and ensures that criteria are made available upon request.* ***NCQA does not review*** *distribution of the formulary or lists to prescribers and members, because Medi-Cal health plans are not responsible for administering a formulary.*
1. A list of pharmaceuticals, including restrictions and preferences.	*See above.* ***NCQA reviews*** *procedures governing coverage of physician-administered drugs and restrictions on these drugs, which may include medical management procedures and criteria that are also presented for UM 2.*

	NCQA also reviews *evidence such as member handbooks and benefit booklets that contain coverage information about physician-administered drugs.* ***NCQA does not review*** *distribution of procedures governing physician-administered drugs to prescribers. Instead,* ***NCQA reviews*** *UM criteria, including those that apply to physician-administered drugs, in UM 2, and ensures that criteria are made available upon request.* ***NCQA does not review*** *distribution of the formulary or lists to prescribers and members, because Medi-Cal health plans are not responsible for administering a formulary.*
2. How to use the pharmaceutical management procedures.	*See above.* ***NCQA reviews*** *procedures governing coverage of physician-administered drugs, which may include medical management procedures and criteria presented for UM 2.*
3. An explanation of limits or quotas.	*Factor 3 is NA for Medi-Cal health plans.*
4. How prescribing practitioners must provide information to support an exception request.	*Factor 4 is NA for Medi-Cal health plans because they are not responsible for administering a formulary.*
5. The organization's process for generic substitution, therapeutic interchange and step-therapy protocols.	*Factor 5 is NA for Medi-Cal health plans because they are only responsible for physician-administered drugs.*
Element C: Pharmaceutical Patient Safety Issues: The organization's pharmaceutical procedures include:	*NCQA recognizes that these drugs are often dispensed through clinics, practitioner offices, hospitals and other facilities, and that plans may have no ability to identify individual batch or lot recalls for drugs covered under the medical benefit unless the drug was removed from the market in its entirety.* ***NCQA reviews*** *procedures for notification when a physician-administered drug is completely removed from the market.* ***NCQA reviews*** *communication to members and prescribing practitioners for physician-administered drugs that were completely removed from the market, if applicable.*
1. Identifying and notifying members and prescribing practitioners affected by a Class II recall or voluntary drug withdrawals from the market for safety reasons within 30 calendar days of the FDA notification.	*See above.*

2. An expedited process for prompt identification and notification of members and prescribing practitioners affected by a Class I recall.	*See above.*
Element D: With the participation of physicians and pharmacists, the organization annually:	
1. Reviews the procedures.	***NCQA reviews** evidence that procedures governing coverage of physician-administered drugs are reviewed annually, which may be in documentation presented for UM 1, Element B.*
2. Reviews the list of pharmaceuticals.	***NCQA reviews** evidence of annual review of coverage information about physician-administered drugs, such as member handbooks or benefit booklets that contain coverage information about physician-administered drugs.*
3. Updates the procedures as appropriate.	***NCQA reviews** evidence that procedures governing coverage of physician-administered drugs are updated annually, which may be in documentation presented for UM 1, Element B.*
4. Updates the list of pharmaceuticals as appropriate.	***NCQA reviews** evidence that coverage information about physician-administered drugs, such as member handbooks or benefit booklets that contain coverage information about physician-administered drugs, are updated as appropriate.*

UM 11 Requirement	*NCQA Guidance*
Element E: The organization has exceptions policies and procedures that describe the process for:	*This element is NA for Medi-Cal health plans because they are not responsible for administering a closed formulary for members.*
1. Making an exception request based on medical necessity.	
2. Obtaining medical necessity information from prescribing practitioners.	
3. Using appropriate pharmacists and practitioners to consider exception requests.	
4. Timely handling of exception requests.	
5. Communicating the reason for a denial and an explanation of the appeal process when it does not approve an exception request.	

Table 2: NCQA requirements with pharmacy components that are unchanged

Standard/ Element	
Population Health Management 3, Element A: Practitioner or Provider Support	*No changes due to pharmacy carve-out*
QI 3, Element A: Continuity & Coordination of Medical Care	*No changes due to pharmacy carve-out*
QI 4, Element A: Data Collection for Continuity & Coordination Between Medical Care and Behavioral Healthcare	*No changes due to pharmacy carve-out*
UM 8, Element A: Policies for Appeals	*No changes due to pharmacy carve-out*
UM 9, Elements A-D: Appropriate Handling of Appeals	*No changes due to pharmacy carve-out*

Healthcare Effectiveness Data and Information Set (HEDIS) Pharmacy-Related Measures

National Committee for Quality Assurance (NCQA) accredited MCPs are required to report HEDIS measures with a pharmacy benefit. MCPs can use the pharmacy daily data feeds and real-time pharmacy portal information provided by Medi-Cal Rx for HEDIS reporting purposes. NCQA considers the daily pharmacy data feeds received from Medi-Cal Rx for carved out pharmacy benefits to be ancillary Provider/encounter data rather than supplemental data for reporting purposes, and this data can be used to identify eligible populations. If an MCP uses data from the real-time pharmacy portal information provided by Medi-Cal Rx, the MCP will need to work with their NCQA auditor to determine how these are classified for use because

this process may differ by MCP. HEDIS measures requiring pharmacy data will be considered for the MCP's star ratings and will impact MCP's accreditation status (accredited vs. not accredited). The receipt and handling of these data should be addressed in the HEDIS Roadmap, Section 1 – Table 1.4.