



TEXAS
Health and Human
Services

Texas Vendor Drug Program Pharmacy Provider Procedure Manual

Managed Care

June 2019

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1 Pharmacy Benefit in Managed Care

HHSC contracts with managed care organizations (MCO) and pays each MCO a monthly amount to coordinate health services for people enrolled in Medicaid or Children's Health Insurance Program (CHIP) MCOs. A majority of Medicaid and all CHIP prescription drug benefits are delivered through the managed care model. Each MCO contracts directly with pharmacy benefit managers (PBM) to create pharmacy provider networks people can use to fill prescriptions.

1.1 Programs

There are five Medicaid managed care programs in Texas, including traditional Medicaid: STAR, STAR+PLUS, STAR Health, STAR Kids, and the Medicare-Medicaid plans. The type of Medicaid coverage a person gets depends on where the person lives and what kind of health issues the person has.

- **STAR** is Medicaid for children, newborns, pregnant women and some families and children. People in STAR get their services through an MCO.
- **STAR+PLUS** is a Medicaid program for people who have disabilities or are age 65 or older. People in STAR+PLUS get Medicaid basic medical services and long-term services through an MCO.
- **STAR Health** is Medicaid for children who get Medicaid coverage through the Texas Department of Family and Protective Services. STAR Health also is for young adults who were previously in foster care.
- **STAR Kids** is statewide Medicaid program providing Medicaid benefits to children and adults 20 and younger who have disabilities.
- **STAR+PLUS Medicare-Medicaid Plans** serve Bexar, Dallas, El Paso, Harris, Hidalgo and Tarrant counties. HHSC and the federal Centers for Medicare and Medicaid Services (CMS) have set up combined Medicare-Medicaid plans for people in those counties who have both Medicare and Medicaid coverage, known as dual eligibles. By having one plan, Medicare and Medicaid benefits work together to better meet the member's health-care needs by offering basic health care and long-term services and supports.

2 Pharmacy Participation

Pharmacy providers must be enrolled with VDP before participating in any managed care network. Refer to the Enrollment chapter of this manual to learn about enrolling with VDP.

Each MCO contracts with a pharmacy benefits manager (PBM) to process prescription claims. The PBM contracts with individual pharmacies. The MCO must allow any enrolled pharmacy provider willing to accept the financial terms and conditions of the contract to enroll in the MCO's network. Each MCO develops its own participating pharmacy network for delivery of services.

VDP publishes the documents in Table 1 to assist pharmacy staff and prescribing providers. Download these managed care resources from the "Downloads" page at txvendordrug.com/resources/downloads.

Table 1 - Managed Care Resources

Document	Purpose
Pharmacy MCO Enrollment	Identifies how pharmacy staff with questions pertaining to a new, pending, or existing contract can contact each MCO and PBM
Pharmacy MCO Assistance	Identifies the name and pharmacy billing information for each MCO as well as MCO-specific call center phone numbers
Service Area	Identifies each MCO by program type (e.g. STAR, STAR+PLUS, CHIP, etc.) broken down by service area

3 Formulary Management

Each MCO is required by state law to adhere to the Texas Medicaid and CHIP formularies and the Texas Medicaid Preferred Drug List. An MCO cannot establish a drug as non-preferred.

4 Pharmacy Clinical Prior Authorization

Certain clinical prior authorizations must be performed for people enrolled in Medicaid managed care. MCOs may implement any other of the approved clinical prior authorizations but no more. Pharmacy staff should verify with each MCO as to which clinical prior authorization is applicable. MCOs cannot establish clinical prior

authorization on a drug without approval by HHSC, and no prior authorization can be more stringent than what was approved.

Refer to the Prior Authorization chapter of this manual for more about clinical prior authorization criteria.

5 Pharmacy Provider Complaints

A complaint is defined as any dissatisfaction expressed by telephone or in writing by the pharmacy provider. The definition of complaint does not include a misunderstanding or a problem of misinformation resolved promptly by clearing up the misunderstanding or supplying the appropriate information to the provider's satisfaction.

5.1 Process

Pharmacy providers submit pharmacy complaints to the appropriate MCO. Each MCO is required to resolve pharmacy provider complaints within 30 days from the date the complaint is received by the MCO. The MCOs are also required to resolve pharmacy provider complaints received by HHSC and referred to the MCOs no later than the due date requested by HHSC.

Pharmacy providers must exhaust the complaints or grievance process with the MCO before filing a complaint with HHSC. Pharmacy staff should refer to the MCO's website to obtain information regarding complaints and appeals processes and the MCO's procedure manual. If after completing this process pharmacy staff believe they did not receive full due process from the MCO, staff may file a complaint with HHSC.

Refer to the "Managed Care" section of the Contact Information chapter of this manual for addressing complaints.