Telecommunications vF2 Questions:

Please incorporate answers to the questions below as they pertain to your business or industry.

1. What are the anticipated changes to the administrative, technical, business, operational, or workflow processes when the new standard becomes mandatory for use?

   PBM will need to modify the claims processing and downstream systems impacted by prescription claims processing. The major changes are technology based vs business or operational in nature. F2 allows for improvements in Coordination of Benefits (COB) between payers and providers as well as improvements to patient experience. These improvements are not driving major business or operational changes.

2. What are the anticipated benefits to business, operational or workflow processes of implementing this new version of the pharmacy standard?
   a. Improvements in controlled substance claims processing by providing additional details within the claim billing transaction.
   b. COB improvements between provider and payers to support regulatory compliance and allow greater flexibility for benefit structures.
   c. Improvements in Response Segments to allow pharmacies to improve patient experience, better support transaction matching on reversals, improve transparency on plan formulary information. Improved identification of plan contact information applied at claim level.
   d. Improved Prescriber Segment to enhance prescriber validation
   e. New Pricing Segment to improve flexibility regarding tax and regulatory fees.
   f. New Claim Request fields for manual overrides, and claim submission types in support of short cycle dispensing. Improvements to multi-ingredient compound claims processing.
   g. Expansion of BIN/INN routing identifiers and product/service fields. Product/Service fields will support alternate identifiers e.g. UDI.
   h. Simplification of processing by removing multi-claim transaction processing.

3. What are the anticipated barriers to implementing the new version of the pharmacy standard?
   a. Adherence to the compliance date across all industry participants
   b. COB and other transaction processing during the transition period
   c. Coordination with updated trading partner agreements

4. What if anything, would be difficult about implementing version F2 for small pharmacies? What about the new version would be difficult for small pharmacies to adjust to?
   a. Small pharmacies typically use software vendors. Therefore the impact should be limited. During the last version transition (D.0) lower performing vendors were eliminated from the Industry as they chose not to move forward with the new version.

5. The HIPAA statute provides for a two year implementation window for health plans and providers after publication of a final rule. Is this time frame sufficient for your industry sector? Does the pharmacy industry want or need an overlap of the current and new standards? Thinking about the changes in health care, is there an ideal time frame for the adoption of new versions of standards, and of their implementation?

   a. 2 years is not a sufficient time period for implementation. Currently the Industry through NCPDP is working on a timeline that spans 4 years. Given the magnitude of the changes and the experience with D.0 transition, this should be the timeline used. Requirements/Discovery 8 months, Development 24 months, Testing and Implementation 16 months (180 different software vendors must test with PBM). This also assumes an additional year of transition from the old format to the new format.
   b. Implementation should also be done Outside Welcome season (beginning or mid year) given the major pricing, eligibility and network changes that occur. Additionally, it should also be done outside the flu season, e.g. Q2, 6/2023

6. Which industry stakeholders are impacted by implementing a new version of this pharmacy standard? Can you offer a verbal or pictorial description of the flow of the transaction, e.g. prescribers, health plans (including self-funded health plans and Flexible Spending Accounts if relevant), pharmacy benefit managers, pharmacies, pharmacy management programs, and other parties?
   a. From the PBM perspective, PBMs are impacted as claims processors. Additionally, parties that PBMs interact with are impacted that use the telecommunications standards e.g. Switches, Phamacies and Providers.

7. Please provide evidentiary information (qualitative or quantitative) to support the need for a recommendation to adopt version F2 at this time. If you wish to send this under separate cover because it is proprietary, that is acceptable. Should NCVHS render an affirmative recommendation to the Secretary, cost benefit data will be necessary for the regulatory process to move forward by HHS in accordance with requirements of the Office of Management and Budget.
   a. Qualitative Benefits are focused on better tools to maintain compliance, improve patient healthcare outcomes, reduce administrative costs, e.g. claim rejections.

8. What are the costs involved in implementing a new version of a standard, and by whom and to whom are they paid? For example, hardware system and software upgrades, vendor fees, real time or batch transaction fees, processing fees, clearinghouse or PBM charges, etc. Do these costs place burdens on any individual stakeholder group?
   a. Business planning has not yet started to determine all systems that may be impacted. Costs are expected to be on par with the previous Industry Standard change (D.0). There are no current plans to create any new fees to support costs of F.2 implementation. The costs as D.0 costs prior are typically absorbed into the overall operating costs of the PBM.

9. What are the patient service and care impacts to implementing version F2? For example, are there patient service and care impacts version F2 will solve/resolve, or are there potential service issues the new standard could create?
   a. No potential service issues are currently identified. There are a number of improvements in patient service e.g. reduced rejects, improvements in controlled substance processing, more information provided to pharmacies to improve patient experience, etc. See answers to question #2.

10. What are the consequences to industry if NCVHS does not recommend adoption of Version F2 to the Secretary?

   a. Lose harmonization of transactions between e-prescribing and claim billing, impairs patient safety initiatives, lost opportunity to streamline the claim adjudication process.

11. Is there any opposition to the upgrade to Version F2?
    a. Industry has already agreed on these business needs and transaction changes to support current and future objectives.

12. What is the burden reduction to your stakeholder group for use of Version F2?
    a. Reduction in number of rejects.
    b. The changes to F.2 are an overall Industry Improvement. They improve pharmacy ability to enhance patient experience (COB, controlled substance, transparency). These items do not directly translate into a burden reduction to PBM.