Department of Health and Human Services

NATIONAL COMMITTEE ON VITAL AND HEALTH STATISTICS

Subcommittee on Standards

Hearing on NCPDP Standards and Updates

March 26, 2018

All official NCVHS documents including meeting transcripts are posted on the NCVHS Website at http://www.ncvhs.hhs.gov

Virtual Meeting

The National Committee on Vital and Health Statistics (NCVHS) Subcommittee on Standards convened a virtual hearing on March 26, 2018, to seek input from the health care industry regarding updated versions of standards from the National Council for Prescription Drug Programs (NCPDP) – specifically, version F2 and Version 10 of the Subrogation standard for Medicaid. The meeting was open to the public and broadcast live on the internet. A link to the live broadcast is available on the NCVHS homepage, https://www.ncvhs.hhs.gov

Subcommittee Members Present
Nicholas Coussoule, Co-Chair
Alexandra Goss, Co-Chair
Linda Kloss, MA
Richard Landen, MPH, MBS
Jacki Monson, JD
Denise Love, BSN, MBA
Debra Strickland, MS

Staff and Liaisons Present
Rebecca Hines, MHS, Executive Secretary, NCHS
Lorraine Doo, MSW, MPH, CMS Lead Staff
Geanelle Herring, MSW, CMS
Debbie Jackson, MA, NCHS
Marietta Squire, NCHS
Geneva Cashaw, NCHS
Suzie Burke-Bebee, HHS/ASPE

Hearing Presenters
Margaret Weiker, NCPDP
Annette Gabel, NCPDP SNIP Co-Chair
Jean Narcisi, ADA, DSMO Chair
Erica Brown, Pharmerica
Sharon Gruttadauria, CVS Health

Christian Tadrus, Sams Health Mart
Cathy Graeff, National Association of Chain Drug Stores (NACDS)
Lisa Schwartz, National Community Pharmacists
Darren Townzen, Walmart
Gary Schoettmer, Net-Rx
Frank Annecchini, VA
Jose Tieso, DXC (DE Medicaid)
Michael Safreno, CVS Health
Kathy Knapp, DST Pharmacy Solutions
Jon Paladino, Prime Therapeutics
Laurie Littlecreek, ExpressScripts
Patrick Harris, RelayHealth
Leann Lewis, PDXInc
Kevin Crowe, QS1
Laurie Schaeffer, eRXNetwork
Bill Shircliff, Rawlings Company
Shelly Winston, Medicare Part D
Colleen Palmer, DST Pharmacy Solutions
Andrea Kent, Conduent
Patrick Tighe, Ohio Medicaid
Margaret Hoffeditz, CA Department of Health Care
Brian Dodge, HMS

Written Testimony Submitted by:
Pharmacy Solutions
DXC (Medicaid)
Walmart
CVS Health
PharMerica
CMS, Medicare Part D
Conduent
Rawlings Company
NetRx
National Association of Chain Drug Stores
PDXinc
ADA

HEARING SUMMARY

MONDAY, MARCH 26, 2018

ACTION STEPS Develop letter of recommendation to HHS Secretary.

WELCOME, INTRODUCTIONS, AGENDA REVIEW
Nicholas Coussoule, Alexandra Goss, Co-Chairs

The Co-chairs welcomed all attendees, followed by official introductions of all Subcommittee members, staff and other participants.

The purpose of this hearing was to seek input from the health care industry regarding the updated versions of standards from the National Council for Prescription Drug Programs (NCPDP) – specifically, version F2 and the subrogation standard between all payers. The Subcommittee on Standards intends to obtain information from industry regarding costs and benefits, business needs and mitigation of burden pertaining to the implementation and use of the updated versions of the standards. The information will assist in the preparation of recommendations to the Secretary of Health and Human Services (HHS).

NOTE: For further information, please refer to the transcript and PowerPoint presentations posted in the NCVHS website.

MORNING SESSION

Background of Request to Adopt NCPDP F2 and Subrogation
Margaret Weiker, NCPDP
Annette Gabel, NCPDP SNIP Co-Chair

An overview of the history and the development of the NCPDP updates to the standards and the proposal to NCVHS was presented.

Comments from DSMO Chair
Jean Narcisi, ADA, DSMO Chair

An overview of the DSMO process and the proposal received regarding the NCPDP updates to the standards was presented.

PART 1: NCPDP F2
Session A: Pharmacies

Erica Brown, Pharmerica
Sharon Gruttadauria, CVS Health
Christian Tadrus, Sams Health Mart
Cathy Graeff, National Association of Chain Drug

Stores (NACDS)
Lisa Schwartz, National Community Pharmacists
Darren Townzen, Walmart
Gary Schoettmer, Net-Rx

Each presenter provided a brief statement to the Subcommittee. Written testimony and slides are posted on the NCVHS website for reference.

Subcommittee Q & A

Discussion began with a comment from the Subcommittee co-chair pointing out the challenge between standards updates moving fast enough to meet a business need versus the constant changing environment, i.e. where the industry is moving quickly, but people cannot keep up to the point where the change becomes unmanageable. One question posed to the testifiers was whether the timeframe proposed was adequate. A second question was what opportunities existed to increase the pace, if any, from a practical standpoint. One of the panelists responded by stating that the NCPDP standard is nimble enough, where changes within the same version can be implemented fairly quickly by moving the External Code List which is found to be very beneficial within the current version of the standard (D.0). The enhanced communication with the standards development organization allows the industry to adopt changes without having to wait for a different version of the standard to come along.

The co-chair asked a clarifying question regarding the implementation proposal for adoption. The respondent said that originally, some of the State Medicaid Agencies, in their role as payers, were not ready to use the current version (D.0). The proposed timing takes into consideration any competing initiatives, and gives incentives for getting ready to implement by the compliance date.

The co-chair asked the panelist representing the NCPDP SNIP about the point of service conflicts (slide 25 from the presentation). The panelist responded that the conflicts have to do with Drug Utilization Review (DUR) or edits from the payer PBM systems, especially around controlled substances. It appears that some entities are now putting many edits on controlled substances, such as supply limits. By having the additional fields and clarifications, the panelist believed this has helped reduce rejections upfront versus on the back end.

The Subcommittee member also asked for clarification on the patient safety upgrades that the updated standard would yield. The concern was whether patient privacy or PHI disclosures were at risk. The panelist respondedthat privacy risks were not at stake. However, one panelist pointed out that the updated standard enhances eligibility verification, specifically, transmitting accurate patient benefit coverage information to the payer. This information is helpful in advance as opposed to after filling and submitting a claim only to have it rejected.

The final question posed to the panel was about the subrogation guide. The proposed updated guide supports Medicaid use cases, as well as those for private payers. The panelist reiterated that any payer could use the standard, not just Medicaid plans. Therefore, panelists were asked what the thinking was during the development of the updated guide, and why it was not proposed for all payers to use. The testifiers responded that there were discussions during the development phase to propose requiring the use of subrogation for all payers. However, the workgroup ultimately decided to allow payers to voluntarily adopt the subrogation guide to allow them time to become experienced with using it. Medicaid plans would still be required to use the standard. The work group suggested that the HHS policy be expanded based on lessons learned.

The testifiers suggested that NCVHS continue to follow industry progress to see what precedent, if any, this could apply to for other HIPAA standard transactions.

Session B— Payers and PBMs

Frank Annecchini, VA
Jose Tieso, DXC (DE Medicaid)
Michael Safreno, CVS Health
Kathy Knapp, DST Pharmacy Solutions
Jon Paladino, Prime Therapeutics
Laurie Littlecreek, ExpressScripts

Each presenter provided a brief statement to the Subcommittee. The written testimony and slides are posted on the NCVHS website for reference.

Subcommittee Q & A Discussion began with Subcommitee members working to understand the rationale for requiring Medicaid to adopt the subrogation guide for their operations, but not being required for all payers. Subcommitee members acknowledged that there would be a panel on the subrogation guide after the lunch break, but raised the issue during this panel session. The panelist provided clarification that under HIPAA, all subrogation activities are conducted at the discretion of the trading partners subrogating claims.

A Subcommitee member asked NCPDP to provide an explanation of the subrogation change request sent to the DSMO, to clarify whether subrogation would be required of all covered entities. The NCPDP representative reiterated that the development workgroup that approved the standard determined that subrogation would only be applicable to Medicaid. The commercial entities that participated in the workgroup wanted to get experience with the standard before it become mandatory for use for all covered entities. The panelist clarified that current regulations do not prohibit use of the standard between willing trading partners.

Another panelist advised the Subcommittee that under current operations, only Medicaid is identified for purposes of subrogation. Medicaid and AADP are identified as payers of last resort where the subrogation component would come into play based on the timing of the third party liability and eligibility file information where Medicaid paid and should not have done so. The billing order rules must be clearly defined in the commercial-to-commercial insurance process before the use of a standard transaction can be mandated across all payers.

Another testifier made a point regarding the use of the subrogation standard: in the current process, subrogation is done using different formats and rules. To address this problem, commercial insurers have been sharing spreadsheets in workgroups to review data elements and develop crosswalks. The analysis proved that business exchange rules need to be better understood so that implementation guides can be developed to effectively support the workflows for all insurers, including those outside the Medicaid pay and chase environment.

Session C: Clearinghouses and Vendors

Patrick Harris, RelayHealth
Leann Lewis, PDXInc
Kevin Crowe, QS1
Laurie Schaeffer, eRXNetwork

Each presenter provided a brief statement to the Subcommittee. Their written testimony and/or slides are posted on the NCVHS website for reference.

Subcommittee Q & A The Subcommittee posed a question to the panelist who testified on the consistency of the testing framework. The panelist responded that both pharmacy software vendors and the third party payers should work towards the adherence of the standard. The panelist noted that one of the beneficial activities during the implementation of version 5.1 was the ability to test with software vendors. The testifier explained that payers depend on that type of testing. The absence of an industry-wide test platform for software vendors to leverage could result in development or testing delays. This is one of the barriers to implementation and compliance.

A Subcommittee member asked a follow-up question regarding the early development of a testing platform during the migration to D.0. A panelist responded that a software vendor that allowed testing between the implementation of 5.1 to D.0. reported that it was a significant undertaking. At present, there is no known interest in the vendor community for developing a test platform for F2. NCPDP advised the Subcommittee that their organization is evaluating the opportunity and cost of creating a test platform for version F2.

The discussion then moved to whether a pharmacy would have to test with every payer, or whether the vendors or “switches” would do the testing on behalf of the contracted

pharmacies. The panelists advised the Subcommittee that in some cases, the vendors set up test platforms and provide test data. In other cases, for versions 5.1 and D.0, testing is done with live data directly from the pharmacies. Since the software vendors should not be dealing with that live data due to the HIPAA regulations – the pharmacy had to do the testing.

The final question posed by the Subcommittee addressed the implementation timeframe discussed by the panelists. Based on the testimony there is consensus that implementation should not take place at the end of year holiday period, i.e. between November and February. The panelists agreed that a June compliance date or timeframe is more appropriate for the pharmacy industry. In addition, full implementation would take at least two years. If HHS publishes a final rule by January 2020, the mandatory compliance date would then be June 2023 – two years to put the standard into production and one year for full testing and adjustments if needed. A third year should be provided for the mandatory compliance date.

PART 2: NCPDP Subrogation

Bill Shircliff, Rawlings Company
Shelly Winston, Medicare Part D
Colleen Palmer, DST Pharmacy Solutions
Andrea Kent, Conduent
Patrick Tighe, Ohio Medicaid
Margaret Hoffeditz, CA Department of Health Care
Brian Dodge, HMS

Each presenter provided a brief statement to the Subcommittee. Their written testimony and/or slides are posted on the website for reference.

Subcommittee Q & A The Subcommittee posed a question to the panelists requesting education on what the interface would be between Medicaid and the Medicare Part D program for payments. The panelist responded that if a Medicare payment is granted retroactively, which happens frequently, Medicaid is then paid as primary. For example, Medicaid may have to go after SilverScript, a Part D plan, to be reimbursed for a prescription that Medicaid has paid as primary. This process is similar for Medco, CVS and Caremark on the retail, commercial side, but Medicare Part D adds a bit more complexity to it.

A Subcommittee member asked for clarification about the information presented in the morning and afternoon sessions, and the use of the subrogation guides by Medicaid only, or Medicaid and commercial plans. A Subcommittee member stated that it appears that some data elements or guidelines may be missing from version 10 of the subrogation Implementation Guide. Such information would be necessary to accommodate commercial payers. These elements might be needed in the next

version. The panel members stated that based on the processes and controls already in use by Medicaid, and the differences that might be needed by the private sector, that testing its use on a voluntary basis would be appropriate before mandating it for use by other covered entities. This NCPDP work groups supported this approach.

A Subcommittee member asked whether the period for implementation for the updated version of Medicaid subrogation would be the same as for F2. The panel members responded that a specific date or timeframe had not been discussed in their workgroup.

Subcommittee Discussion

The Subcommittee noted the significant amount of industry collaboration that occurred in advance of the hearing, and was pleased by the level of consensus around this complex subject.

The Subcommittee discussed the panelists' recommendation for a two-year implementation date and an additional year for the mandatory compliance date in order for the industry to work out the bugs. They acknowledged the thought process that went into the development of this approach. The Subcommittee questioned whether or not the additional year calls for the introduction of end-to-end testing, or where testing fits into the process envisioned by the panelists. Finally, Subcommittee members explored whether there were any perspectives not represented at the hearing.

Public Comment

None

Adjournment: 2:48 p.m.

To the best of our knowledge, the meeting summary is accurate and complete.

I hereby certify that, to the best of my knowledge, the foregoing summary of minutes is accurate and complete.

/s/ 09/21/2018

William Stead, M.D. Date
Chair, National Committee on Vital
And Health Statistics