

## N.Y. must keep Medicaid's pharmacy benefit: Albany 'carve out' puts too many at risk



*Dr. Talya Schwartz, Dr. Hany Abdelaal and Doug Wirth, March 09, 2023*

The On April 1, the New York State Department of Health is due to “carve out” the pharmacy benefit from Medicaid managed care, shifting to a fee-for-service model purporting to increase savings through lower pharmacy costs. However, the proposed change will cause unnecessary harm to New York’s most vulnerable populations, including those diagnosed with HIV, while failing to deliver the hoped-for savings.

Medicaid-managed care plans, including HIV special needs plans (HIV SNPs), aim to manage cost, utilization, and quality. Collectively, as MetroPlusHealth, SelectHealth from VNS Health, and Amida Care, we care for more than 16,000 Medicaid members who either live with HIV or are at elevated risk of acquiring HIV because they are homeless, transgender, or gender non-conforming.

These members rely on coordinated care and effective pharmacy benefits to suppress HIV or stay HIV-negative, which care managers monitor to ensure medication adherence. This leads to better individual health outcomes and the state’s goal of “Ending the Epidemic,” while improving health equity and protecting vulnerable New Yorkers.

The pharmacy carve-out proposal will have considerable impacts. Currently, through coordinated care management, plan members receive timely in-house resolution of issues pertaining to their pharmacy benefits. When providers change failing therapies, our care teams work collaboratively to ensure a smooth transition to a new one.

Addressing the complex medication adherence needs of members requires careful care management and real-time integration of medical and pharmacy information. Our plans use pharmacy data to facilitate medication reconciliation and support treatment adherence and transitions in care. It is instrumental in developing clinical programs where medication treatment is a factor, such as chronic disease management, opioid substance use disorder, and serious mental illness.

We recognize that such transitions are critical for members with HIV, so we work to prevent disruption to the member's pharmacy benefit. This not only benefits the members directly, but also supports public health goals such as preventing replication and mutation of the virus, achieving viral suppression, and ultimately eradicating HIV through reduced transmission rates.

In place of the proven value of our care management and client relationships, the proposed carve-out promises bureaucracy and bottlenecks. If the proposal stands, members will have to use a single state-run call center instead of being assisted by their familiar care managers. This streamlining of case resolution will result in a loss of trust and expectations of efficient care that members have come to rely on.

Designated AIDS Centers, FQHCs, and NYC Health+Hospitals rely on funding from the 340B Drug Pricing Program. This law requires drug manufacturers to sell outpatient drugs at discounted prices to safety-net providers serving low-income and vulnerable New Yorkers. The proposed carve-out will result in a loss of more than \$300 million in funding annually and will force many locations to close, causing a loss of necessary care and services for members such as housing, nutrition, and transportation.

Our organizations serve as New York City's three HIV SNP plans. Together, we recognize the likely harms from the pharmacy carve-out, both to our members and to the safety-net health care system. We have therefore joined in asking Gov. Hochul to repeal this decision.

The pharmacy carve-out will negatively affect HIV SNP members and plans, disproportionately affecting people of color and the LGBTQ+ community. If implemented, the carve-out will markedly reverse continued achievements in decreasing prevalence and contribute to individual-level member harm.

New York can learn from the mistakes of California, Ohio, and Michigan, which shifted to fee-for-service pharmacy benefits. These states suffered negative consequences, such as residents lacking access to critical medications for weeks. Without clear guidance on how Albany intends to prevent such problems, we cannot support a proposal we know will put members at risk.

The current three-point plan, aimed at diagnosing and linking undiagnosed individuals with HIV to care, retaining individuals with HIV in care for virus suppression, and preventing transmission and facilitating access to PrEP for high-risk individuals, is making progress in reducing HIV prevalence in New York. The proposed carve-out will cause confusion among vulnerable groups, including those in HIV SNPs.

Fortunately, there is a sensible alternative. This approach achieves the state's policy objectives, averts disruption to patients, preserves the safety net, supports community pharmacies, keeps the benefit in managed care and saves money. Should the governor and Legislature not reach an agreement to repeal the carve-out, we urge adoption of this solution in this year's budget.

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