October 26, 2017

Mr. Brian Neale
Deputy Administrator and Director
Center for Medicaid and CHIP Services
200 Independence Avenue, S.W.
Washington, D.C. 20201
Brian.Neale@cms.hhs.gov

Re: Medicaid Managed Care Provider Enrollment Requirement

Dear Mr. Neale,

The National Council for Prescription Drug Programs (NCPDP) is a not-for-profit ANSI-Accredited Standards Development Organization (SDO) consisting of more than 1,600 members who are interested in electronic standardization within the pharmacy services sector of the healthcare industry. NCPDP provides a forum wherein our diverse membership can develop solutions, including ANSI-accredited standards, and guidance for promoting information exchanges related to medications, supplies, and services within the healthcare system.

While NCPDP applauds the effort to ensure consistency of screening and enrollment for both Fee-For-Service (FFS) and Managed Medicaid prescribers and pharmacies, the January 1, 2018 implementation of this provision, per H. R. 34 – the 21st Century Cures Act §5005(b)(2)(6)(A), will negatively impact beneficiary access to care, prevent timely and effective implementation by all industry stakeholders, and increase the administrative costs needed for CMS to retrospectively validate compliance. Therefore, NCPDP strongly urges CMS to repeal the requirement for Medicaid Managed Care plan prescribers and pharmacies to be enrolled with the respective State Medicaid agency of patients they serve or, at the very least, consider a delay of the requirement until a more streamlined provider validation process can be established.

Below are two primary reasons NCPDP recommends repealing, or at least delaying, this requirement:

1. **Many states are not ready to implement this requirement for Medicaid FFS or Managed Care providers.**
   To date, many states have not yet implemented the required provider enrollment validation for their FFS providers and are unprepared to implement these requirements for Managed Care. An example of state readiness to implement standard enrollment requirements is one state's Medicaid program in which the use of the prescriber National Provider Identifier (NPI) is not yet mandated or accepted in the adjudication of pharmacy claims yet NPI has been mandated as required in Medicaid for some time.

   Because of the lack of state preparedness to implement this requirement, some providers are still unaware of the requirement to enroll, leaving a relatively high number of non-enrolled providers. Specifically, in the state of Massachusetts, an estimated 37% of prescribers have not yet enrolled with MassHealth as a Medicaid provider, impacting approximately 28% of MassHealth's patients and their pharmacy claims. In the state of Pennsylvania, provider

enrollment validations for their Temporary Assistance for Needy Families (TANF) population were implemented on August 28, 2017. Based on the State enrollment file and a list of all NCPDP active pharmacies in Pennsylvania, 16% of Pennsylvania pharmacies are still not enrolled with PA Medicaid a month following this implementation.

Given the potential consequences for paying non-enrolled providers, and the fact that not all state Medicaid agencies have implemented the FFS provider enrollment validations, requiring the Medicaid Managed Care providers to also be enrolled would impact member access to care exponentially as Medicaid Managed Care plans will reject claims from non-enrolled providers to avoid penalties from the state.

2. **Many industry stakeholders are not ready to implement this requirement due to the lack of available, or standardized, information.**
   In addition to the state challenges with this requirement, many industry stakeholders (i.e., Pharmacies, Managed Care Organizations, Pharmacy Benefit Managers, etc.) are not yet ready to implement this requirement due to the lack of available enrollment information and the lack of quality data in a standardized format. To implement this enrollment requirement for Medicaid Managed Care providers, industry stakeholders need guidance from state Medicaid agencies on the file formats transmitting this enrollment information, frequency of transmissions and updates, and the process by which this information can be obtained. In many states such guidance does not exist and impedes the proper implementation of this requirement by January 1, 2018.

   Today, each state provides enrollment data using a different file format (e.g., PDFs, Excel documents, CSV files, etc.) with different frequency intervals (e.g., daily, weekly, monthly, quarterly) and different delivery mechanisms (e.g., email, FTP, manual downloads, state website, etc.). In addition, some state files do not contain the necessary minimum provider information (e.g., individual NPI) about the provider and their enrollment status (e.g., effective dates). The lack of standard information and nationally recognized provider identifiers, as well as widely varying formats, requires stakeholders to implement additional system coding to automate the use of this information in order to effectively use this data to perform the required provider enrollment validations. Not only is this a resource-intensive process but it also increases the risk of error in the process and threatens the effective implementation of this requirement by January 1, 2018.

To address concerns with the implementation and support of this enrollment requirement, NCPDP's Government Programs Work Group formed the Medicaid Frequently Asked Questions task group. Increasingly, the topics for discussion within this task group include steps to help resolve the potential disruption expected from the implementation of this requirement for Medicaid Managed Care providers. To date, NCPDP approved new Medicaid-specific reject codes and override codes to be used on claims that reject for non-enrolled providers. In addition, this task group identified the aforementioned barriers with the FFS provider enrollment files and is working to develop a standard file format for the exchange of provider enrollment information between different trading partners.

In the event CMS chooses not to repeal this Medicaid Managed Care provider enrollment requirement, NCPDP strongly encourages CMS to delay the implementation of this requirement and recommend as a best practice the use of the standard provider enrollment file format, currently being developed by NCPDP. While NCPDP understands CMS may prefer not to mandate the use of this standard file format,

we also recognize the significant influence CMS has through the recommendation of best practices (such as a standard file format to effectively implement this requirement). Without a standard file format, industry stakeholders will continue to use resource-intensive and error prone processes to try to implement this requirement.

In closing, NCPDP again requests CMS repeal the implementation of the Medicaid Managed Care provider enrollment requirement. In the event repeal is not possible, NCPDP urges CMS to delay the enforcement of the requirement to no earlier than January 1, 2020. During this time, we request CMS recommend the use of the NCPDP standard provider enrollment file format as a best practice through guidance to State Medicaid agencies. NCPDP also encourages CMS to actively collaborate with both the prescriber and pharmacy communities to educate them on this regulation and the impacts to their patients in the event of non-compliance. Similar to the implementation of the Medicare Part B & D Ordering/Referring provider enrollment requirements, once the number of actively enrolled prescribers and pharmacies is at an acceptable level, effective execution of the legislation can then occur.

Thank you for your consideration of this request.

For direct inquiries or questions related to this letter, please contact:
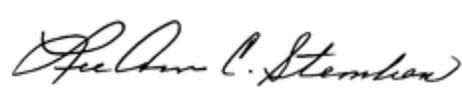Kittye Krempin
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Sincerely,

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