



Background:

Prominence Health (“Prominence”) delegates pharmacy claim processing and Part D formulary administration functions to its pharmacy benefit manager, Abarca Health (“Abarca”). This function includes administering transition of care claims appropriately per Centers for Medicare and Medicaid Services (CMS) guidance. Prominence will utilize Abarca’s process based on their policy titled “Formulary Benefit Management - HPMS Transition Policy Submission” (CL-FBM-00-019), which is outlined below.

Definitions:

- **Covered Drug** – Is a Part D drug that is included in the Prominence’s formulary.
- **Level of Care Changes** – include the following changes from one treatment setting to another:
 - a) Beneficiaries discharged from a hospital to a home
 - b) Beneficiaries who end a skilled nursing facility stay covered under Medicare Part A (including pharmacy charges), and revert to coverage under Part D
 - c) Beneficiaries who give up hospice status to revert to standard Medicare Part A and B benefits
 - d) Beneficiaries who end an LTC facility and return to the community
 - e) Beneficiaries who are discharged from a psychiatric hospital with drug regimens that are highly individualized.
- **Negative formulary changes** - negative formulary changes include the following: removal of a drug from a formulary; adding or making more restrictive: a) prior authorization requirements, b) quantity limits, c) step therapy requirements, and imposing other restrictions on a drug that require CMS approval.
- **Non-formulary** – For the purposes of transition requirements in section 30.4 in Chapter 6, CMS defines non-formulary Part D drugs to mean: (1) Part D drugs that are not on a sponsor formulary, (2) drugs previously approved for coverage under an exception once the exception expires, and (3) Part D drugs that are on a sponsor’s formulary but require prior authorization or step therapy, or that have an approved QL lower than the beneficiary’s current dose, under a plan’s utilization management requirements. This is because a formulary drug whose access is restricted via UM requirements is essentially equivalent to a non-formulary Part D drug to the extent that the relevant UM requirements are not met for a particular member. However, if Prominence’s QL is equal to an FDA maximum dose limit, plans do not have to allow doses greater than this limit as



part of a transition supply.

- **Part D Drugs** – those drugs that are defined as eligible for coverage per Title XVIII of the Social Security Act and in any subsequent regulations (42 CFR §423.100).
- **Part D Plan** - A Prescription Drug Plan, a Medicare Advantage Prescription Drug plan, a Program for All-inclusive Care for the Elderly plan offering qualified prescription drug coverage, or a cost plan offering qualified prescription drug coverage.
- **ABARCA HEALTH** - Pharmacy Benefit Manager, a third-party administrator of prescription drug programs.
- **Transition Process** – A Part D plan’s process, policy, and procedure that meet CMS standards requiring temporary coverage of certain drugs during the transition phase of a member’s benefit coverage. Transition process requirements will be applicable to non-formulary drugs, meaning: (1) Part D drugs that are not on the Prominence formulary, (2) drugs previously approved for coverage under an exception once the exception expires and (3) Part D drugs that are on the Prominence formulary but require prior authorization or step therapy, or that have an approved QL lower than the beneficiary’s current dose, under Prominence’s utilization management rules.
- **Transition Supply** – Temporary supply of non-formulary Part D drugs or covered formulary Part D drugs under the Prominence’s utilization management program (e.g. prior authorization, step therapy, quantity limits) that are provided during the Transition Process. Transition Period – The 90-day period following the initial effective date of enrollment in the Part D plan.
- **Utilization Management (UM)** – A drug that is covered on the formulary but requires prior authorization or Quantity Limits (QL) or Step Therapy (ST) for some Part D drugs.

Statement:

It is Abarca Health’s objective to be in full compliance with CMS regulations regarding formulary management and formulary drug updates, including the development of monitoring and analysis procedures to update the existing edits related to and utilize for formulary management.

This policy and procedure applies to:



- New members into prescription drug plans following the annual coordinated election period
- Newly eligible Medicare beneficiaries from other coverage
- Members who switch from one plan to another after the start of the contract year
- Current members affected by negatives formulary changes across contract years.
- Members residing in long-term care facilities.
- Members who experience a level of care change.

Scope:

The procedures under this policy apply to the Formulary Services personnel in charge of administering formularies for Prominence, to whom Abarca Health provides formulary management services.

Failure to abide by the procedures hereunder may result in sponsors' contractual actions against Abarca Health. Disciplinary actions for employees and/or delegated entities that fail to comply with the procedures below will consist of retraining/retesting, verbal, or written warnings, and may extend to termination of employment or contract, as applicable.

Policy:

A transition supply is provided to promote continuity of care and avoid interruptions in drug therapy while a switch to a therapeutically equivalent drug or the completion of an exception request to maintain coverage of an existing drug based on medical necessity reasons can be effectuated.

The transition process allows for a temporary supply of non-formulary Part D drugs or access to formulary drugs with UMs (PA, ST, QL) with sufficient time for members to work with their health care providers to select a therapeutically appropriate formulary alternative, or to request a coverage determination or formulary exception based on medical necessity. Transition processes for Prominence's members shall be administered in a manner that is timely, accurate, and compliant with all relevant CMS guidance and requirements as per 42 CFR §423.120(b)(3).

The Senior Manager, Formulary Services is responsible for monitoring and overseeing the execution of, and compliance with, the procedures outlined in this document. This includes ensuring alignment with regulatory requirements and internal standards.

The Senior Manager, Formulary Services, is responsible for reviewing this procedure and making revisions as necessary to ensure continued relevance and compliance. The Senior Manager will be the contact person to whom employees should turn for assistance and support.



Procedure:

1. Transition Processing

Within the first 90 days of coverage under a new plan, Prominence must provide a transition supply when the beneficiary requests a non-formulary drug. This 90-day timeframe applies to retail, home infusion, long term care, and mail-order pharmacies.

Since certain members may join a plan at any time during the year, this requirement applies beginning on such a member's first effective date of coverage instead of to the first 90 days of the plan year.

If a member leaves a plan and re-enrolls during the original 90-day transition period, the transition period begins again with the new effective date of enrollment.

Abarca Health's system will identify both new and current members from enrollment files provided by Prominence.

Abarca Health will apply a transition process for new members into prescription drug plans following the annual coordinated election period; newly eligible Medicare beneficiaries from other coverage; members who switch from one plan to another after the start of the contract year; current members affected by negative formulary changes across contract years; and members residing in LTC facilities.

Abarca Health will ensure that it will apply all transition processes for Part D drugs that are not on the Prominence's formulary, and Part D drugs that are on the Prominence's formulary but require prior authorization or step therapy, or that have an approved QL lower than the beneficiary's current dose, under a Prominence's utilization management rules.

Prominence will ensure procedures for medical review of non-formulary drug requests. For non-formulary drug requests failing an affirmative medical necessity determination, the case decision notification letter sent to the beneficiary and prescriber (if applicable) includes a list of therapeutically appropriate formulary alternatives. The transition notification letter also provides guidance on the process for working with Prominence and switching the beneficiary to a formulary alternative.

Abarca Health will implement a transition fill automatically at point-of-sale (POS) to provide a temporary supply of non-formulary Part D drugs in order to accommodate the immediate needs of a member, as well as to allow Prominence and/or the member sufficient time to work with the prescriber to make an appropriate switch to a therapeutically equivalent medication or the completion of an exception request to



maintain coverage of an existing drug based on medical necessity reasons.

Transition process requirements are not applicable to Medicare Part D excluded medications, or any medications covered by Medicare Part B.

Prominence will extend this Transition Policy across contract years for a member in a plan with an effective date of either November 1st or December 1st and need access to a transition supply.

2. In The Retail Setting

Abarca Health will provide for a one-time temporary fill of at least a month's supply of medication (unless the member presents with a prescription written for less than a month supply in which case Prominence must allow multiple fills to provide up to a total of a month's supply of medication) anytime during the first 90 days of a member's enrollment in a plan, beginning on the member's effective date of coverage.

If the smallest available marketed package size exceeds a 30-day supply, Prominence must still provide a transition supply when required.

Current members whose drugs will be affected by negative formulary changes in the upcoming year, Prominence will effectuate a meaningful transition by either (1) providing a transition process at the start of a new contract year or (2) effectuating a transition prior to the start of a new contract year.

3. Long Term Care (LTC) Setting

Abarca Health will allow a one-time temporary fill of at least a month's supply (unless the member presents with a prescription written for less) which should be dispensed incrementally as applicable under 42 CFR §423.154 and with multiple fills provided if needed during the first 90 days of a beneficiary's enrolment in a plan, beginning on the member's effective date of coverage.

After the transition period has expired, the transition policy provides for a 31-day emergency supply of non-formulary Part D drugs (unless the member presents with a prescription written for less than 31 days) while an exception or prior authorization is requested.

For members being admitted to or discharged from an LTC facility, early refill edits are not used to limit appropriate and necessary access to their Part D benefit, and such members are allowed to access a refill upon admission or discharge.

If the smallest available marketed package sizes do not align with this timeframe,



Prominence must still provide a transition supply when required.

Multiple 14-day or less supplies can be supplied for brand-name drugs to meet a minimum of a 31-day emergency supply requirement. Prominence is not expected to provide more than a one-time 31-day emergency fill of a particular drug per long-term care (LTC) stay.

4. Edits for Transition Fill

- 4.1. Abarca Health will only apply the following utilization management edits during transition at the point-of-sale:
 - 4.1.1. Edits to determine A or B vs. Part D coverage
 - 4.1.2. Edits to prevent coverage of non-Part D drugs
 - 4.1.3. Edits to promote the safe utilization of Part D drugs
 - 4.1.4. Step therapy and prior authorization edits must be resolved at point-of-sale.

5. New Prescriptions versus Ongoing Drug Therapy

Although it may be difficult to distinguish between new prescriptions for non-formulary Part D drugs and refills for ongoing drug therapy involving non-formulary Part D drugs, a minimum of a 108-day lookback will be completed in order to adequately document ongoing drug therapy.

Abarca Health will provide refills for transition prescriptions dispensed for less than the written amount due to quantity limit safety edits or drug utilization edits that are based on approved product labeling.

Abarca Health will ensure that it will apply all transition processes to a brand-new prescription for a non-formulary drug if it cannot make the distinction between a brand-new prescription for a nonformulary drug and an ongoing prescription for a non-formulary drug at the point-of-sale.

6. Protected Class

If Abarca Health cannot determine at the point of sale whether a member is currently taking a drug (e.g., new member filling a prescription for the first time), Prominence shall treat such member as currently taking the drug.

If Abarca Health allows an initial fill because it cannot determine at the point of sale that a member is not currently taking the protected class drug (during transition or otherwise), Prominence shall treat such members as currently taking the drug. Therefore, any protected class PA or ST requirements for new starts are no longer applicable after the



first fill has been provided.

7. Transition Extension

Abarca Health will make arrangements to continue to provide necessary Part D drugs to members via an extension of the transition period, on a case-by-case basis, to the extent that their exception requests or appeals have not been processed by the end of the minimum transition period and until such time as transition has been made (either through a switch to an appropriate formulary drug or a decision on an exception request).

In addition, Prominence will extend this transition policy across contract years should a beneficiary enroll in a plan with an effective enrollment date of either November 1 or December 1 and need access to a transition supply.

8. Transition across Contract Years

Prominence will provide a transition process at the start of the new contract year. In order to prevent coverage gaps, Prominence will provide a transition supply of the requested prescription drug beginning January 1 and provide members with the required transition notice.

9. Level of Care Changes

Transition processes will allow transition supplies to be provided to current members with Level of Care Changes (defined under the definition section).

Where Prominence and Abarca Health are aware of the level of care change, Abarca Health will bypass early refill edits to support uninterrupted access to medication.

10. Notifications

10.1. Changes for Upcoming Contract Plan Year: Prominence will provide notice of formulary changes for an upcoming contract plan year by mailing an Annual Notice of Change (ANOC) to members in accordance with the timeframes set by CMS. The members will have at least 90 days to review the new formulary and determine if their medications are covered and whether the cost-sharing for their covered medications will change in the upcoming contract year.

10.2. Transition Notices:

Prominence will use the CMS model Transition Notice via the file-and-use process or submit a nonmodel Transition Notice to CMS for marketing review, subject to a 45-day review. Prominence will ensure that reasonable efforts are made to notify prescribers of affected members who receive a



transition notice.

Abarca Health sends written transition notices via U.S. first class mail to member and prescriber within three (3) business days of adjudication of a temporary transition fill.

The prescriber notification of transition fills is labeled as the “PRESCRIBER COPY”.

The notice includes the following information:

- 10.2.1. An explanation of the temporary nature of the transition supply, a member has received.
- 10.2.2. Instructions for working with Abarca Health or Prominence, and the member’s prescriber to satisfy utilization management requirements or to identify appropriate therapeutic alternatives that are on Prominence’s formulary. An explanation of the member’s right to request a formulary exception.
- 10.2.3. A description of the procedures for requesting a formulary exception.
- 10.2.4. The timeframes for processing the exception and the member’s right to request an appeal if Prominence issues an unfavorable decision.

For long-term care residents dispensed with multiple supplies of a Part D drug in increments of 14days-or-less, consistent with the requirements under 42 CFR 423.154 (a)(1)(i). The written notice will be provided within 3 business days after adjudication of the first temporary fill.

11. Public Notice of Transition Process

The transition policy will be available to members via link from Medicare Prescription Drug Plan Finder to the Prominence websites and include in pre-and post-enrollment marketing materials as directed by CMS.

Prominence will make available prior authorization or exceptions request forms upon request to both members and prescribing physicians via a variety of mechanisms, including mail, fax, email, and on the Prominence web sites.

12. Point Of Sale (POS) messaging

Abarca Health utilizes the NCPDP standard D.0 and will apply any standardized messaging approved by the industry to enable a pharmacy to adjudicate a Part D claim. The NCPDP standard provides information in the response of every transition claim in



order for the system to identify the transition reason (prior authorization, non-formulary, step therapy, etc.). Each reason has a specific NCPDP code. When the system determines a claim as a transition Fill (Non-Formulary, QL, Step Therapy, and PA a message is sent to the pharmacy identifying the claim as a Transition Claim. The message sent to the pharmacy is general for all transition fills, independent of its nature.

The claim is processed and paid at the POS. The message the pharmacy receives is “Part D Transition Fill”. The following utilization management edits are appropriate during the transition period: determine Part A or B vs D coverage to prevent coverage of non-Part D drug; and promote safe utilization edits such as a beneficiary-level opioid claim edit, quantity limits based on FDA maximum recommended daily dose such as APAP, and early refill edits). For Part A or B vs D, Non- Part D Drug or safety edits the pharmacy receives a message indicating the reason for the rejection and code to provide the member with the Pharmacy Notice. Pharmacies may call Abarca Health or Prominence to request assistance to resolve any transition medication edit at the point of sale.

13. Cost Sharing

Abarca Health will ensure that cost-sharing for a temporary supply of drugs provided under its transition process will never exceed the statutory maximum co-payment amounts for low-income subsidy (LIS) eligible members.

For non-LIS members, Abarca Health must charge the same cost sharing for non-formulary Part D drugs provided during the transition that would apply for non-formulary drugs approved through a formulary exception in accordance with 42 CFR§ 423.578(b).

Abarca Health must charge the same cost sharing for formulary drugs subject to utilization management edits provided during the transition that would apply if the utilization management criteria were met.

14. Pharmacy & Therapeutics Committee’s (P&T) Role

14.1. Prominence’s P&T Committee performs the following functions relative to the transition process:

14.1.1. Reviews and analyzes the most common drugs that are being approved through the transition or exception process and evaluates the possible inclusion of these drugs to the formulary and recommends policies relative to the medical review of non-formulary drug requests.

14.1.2. Reviews the appropriateness of procedures that limit access where a member is already stabilized on a drug or has already tried the lower step agents.

14.1.3. Reviews drugs and drug categories that are included in the



transition process, and the duration of Transition Supply provided.

14.1.4. Reviews processes for switching new members to therapeutically appropriate formulary alternatives failing an affirmative medical necessity determination.