

Initial Pricing Appeals Policy for Claims in the State of Tennessee

Policy Statement:

It is the policy of MedOne to establish a process for contracted pharmacies, pharmacy services administration organizations (PSAO), or group purchasing organizations (GPO) to appeal and resolve disputes regarding the reimbursement received for a particular drug or medical product or devices included as a pharmacy benefit under a pharmacy benefits contract.

Purpose:

The purpose of this policy is to provide the guidelines MedOne will follow when processing an initial pricing appeal for contracted providers within the state of Tennessee in accordance with Rule 0780-01-95. The policy shall be approved by the Tennessee Department of Commerce and Insurance (TDCI). Revisions will be made in accordance with the procedures outlined in Rule 0780-01-95.

Scope:

A contracted pharmacy or the pharmacy's designee may file an appeal within seven (7) business days of an initial claim submission for reimbursement, if: a) the price/unit for a particular drug or medical product or device is below the cost at which the drug or medical product or device is generally available for purchase by pharmacies in the state from national or regional wholesalers or b) MedOne has placed a drug on the MAC list in violation of 56-7-3106. An appeal may be initiated regardless of whether an appeal was previously submitted. MedOne will respond with a final determination within seven (7) business days of receipt of a complete and timely appeal.

- 1) MedOne shall make available on its secure website information about the initial appeal process, including, but not limited to, a telephone number, email address, web portal, or any other process that a pharmacy may use to initiate and submit initial appeals. This information shall clearly communicate that the initial appeal process is for all drugs or medical products or devices for which the pharmacy alleges it did not receive its actual cost.
- 2) Filing an initial appeal:
 - a. Initial appeals may be initiated electronically, by mail, or by telephone.
 - b. A contracted pharmacy or the pharmacy's designee may file an appeal within seven (7) days of an initial claim submission for reimbursement.
 - c. The appealing party shall submit an initial appeal form along with supporting documentation through encrypted email to pricinginquiry@medone-rx.com.
 - d. MedOne encourages appealing parties to submit our standard Pricing Inquiry Form (Attachment B) to file an appeal but will accept the standard appeal form (Attachment A) created by the Tennessee Department of Commerce and Insurance.
 - e. For assistance with initiating an Appeal by telephone, the appealing party may reach MedOne by calling (888) 884-6331 and advising that you are a provider looking to appeal a reimbursement amount. If an appeal is initiated by telephone, the appealing party shall follow up with a complete written or electronic request within five (5) business days.

- f. MedOne shall be deemed to have received all required information sufficient to conduct a complete analysis of the initial appeal upon receipt of:
 - i. A complete initial appeal form; and
 - ii. Certification from the pharmacy that it has provided MedOne with all invoices or other records demonstrating the pharmacy's actual cost for the drug or medical product or device at issue, which shall take into account all discounts, price concessions, rebates, or other reductions received as of the date the pharmacy filed its initial appeal.
 - g. If the initial appeal is incomplete, MedOne shall pend the appeal and notify the pharmacy within five (5) business days of receipt of the incomplete appeal of the information needed to complete the appeal. The pharmacy will have five (5) business days from receipt of the notice to provide the requested information. If the information is not received, MedOne may deny the initial appeal.
 - h. For avoidance of doubt, the timeline for making a final determination resolving an initial appeal under Tennessee law shall not begin until MedOne has received a complete TN standard initial appeal form or MedOne's Pricing Inquiry Form **AND** the pharmacy has provided the PBM with all invoices or other records demonstrating the pharmacy's actual cost for the drug or medical product or device.
 - i. In the event a pricing appeal is initiated by a PSAO or GPO, MedOne may require documentation that such entity is authorized to act on behalf of the contracted pharmacy.
 - j. MedOne will in no way delay the review of the initial appeal by requiring more information than is required by Tennessee law or delaying based on administrative or non-substantive errors or omissions that do not affect the overall validity of the appeal.
- 3) Acknowledging receipt of an appeal**
- Upon receipt of a written appeal, MedOne will send the initiating party confirmation of receipt of the appeal and provide contact information for additional information or assistance, including name(s), address(es), email address(es) and / or telephone number(s).
- 4) Final Determinations**
- a. The appealing party shall be notified of the final determination (approval or denial) of the pricing appeal within seven (7) business days of receipt of the appeal. If MedOne fails to comply with the timing and notification requirements, the appeal shall be resolved in favor of the pharmacy.
 - b. The notice for the final determination shall include the following information:
 - i. Appeal number
 - ii. The date of the determination
 - iii. Date of Service
 - iv. Rx number
 - v. NOC
 - vi. Drug Name
 - vii. Group ID (aka health benefit plan)
 - viii. BIN/PCN
 - ix. Adjusted price/unit, if applicable

- x. If the appeal is resolved in the pharmacy's favor:
 - A statement that the appeal has been granted, along with a summary outlining the basis for that decision;
 - Notification that the challenged rate has been adjusted; and
 - Instructions on how to reverse and rebill the underlying claim
 - xi. In the event of a denial:
 - NOC of therapeutically equivalent drug of the same dosage, dosage form, and strength that is at or below the MAC/price on the date of service;
 - the rationale for the denial;
 - the source where the drug may be purchased from a licensed wholesaler by contracted pharmacies at a price at or below the maximum allowable cost;
 - Instructions on how to make an external appeal of the decision; and
 - If applicable, evidence that the challenged reimbursement has been adjusted, and / or instructions on how to reverse and rebill the underlying claim.
- 5) Adjustments.** If a price adjustment is warranted because of an appeal, MedOne shall:
- a. Retroactively adjust the MAC/price to the initial date of service the appealed drug was dispensed.
 - b. Notify all similarly situated providers that a retroactive maximum allowable cost adjustment has been made because of a granted appeal effective to the initial date of service the appealed drug was dispensed and allow such providers to reverse and rebill the underlying claims applicable to each.
 - c. Make retroactive price adjustments to resubmitted claims in the subsequent payment cycle.
- 6) External Appeals**
- a. A contracted pharmacy or the pharmacy's designee may file a complaint with the TDCI following a final determination made by MedOne in accordance with Rule 0780-01-95.
 - b. The contracted pharmacy shall submit a complaint to the TDCI no later than thirty (30) days from the date of MedOne final decision.
 - c. MedOne will have ten (10) days following receipt of notice from the Commissioner that an external appeal has been filed to submit a response.
- 7) Reporting Requirements.**
- a. On or before July 1 of each calendar year, MedOne shall provide the Commissioner with a written statement certifying it meets the requirements of Rule 0780-01-95-.05. along with timestamped screenshots of MedOne's website showing the required information is on the website and readily accessible by pharmacies.
 - b. On or before July 1 of each year, MedOne shall provide the Commissioner with a written report that contains the following aggregated information for the preceding calendar year:
 - i. The number of initial appeals filed with the PBM.
 - ii. The number of initial appeals resolved in favor of pharmacies.
 - iii. The number of initial appeals resolved against pharmacies.

- iv. The total amount of money paid to appealing pharmacies as a result of initial appeals resolved in favor of pharmacies.
- v. The total amount of money paid to similarly situated pharmacies as a result of initial appeals resolved in favor of pharmacies.
- vi. The number of initial appeals that were appealed to the Commissioner of which the PBM received notice.
- vii. and any other information requested by the Commissioner.

8) Retention Period

- a. MedOne shall retain all records related to an initial appeal for the greater of five (5) years or until MedOne is audited by the Department. MedOne shall provide the Department with access to all records upon request and comply with requests for information regardless of whether the request is part of a departmental audit.

References:

- T.C.A. § 56-7-3206(c)(2)
- CHAPTER 0780-01-95

Attachments:

Attachment A: TN Standard Appeal Form

Attachment B: MedOne Pricing Inquiry Form