

Notice of Hernandez Settlement Compliance

The Hernandez Settlement guidelines apply to Medicaid Enrollees in the State of Florida, in which a few CVS/caremark clients are Medicaid HMO providers.

The Florida Agency for Healthcare Administration (AHCA) requires that all participating pharmacy locations be in compliance with the Hernandez Settlement Agreement (HSA). An HSA non-compliance situation arises when a Medicaid HMO Enrollee is unable to get his or her prescription filled due to:

- an unreasonable delay in filling the prescription
- a denial of the prescription
- the reduction of a prescribed good or service; and/or
- the termination of a prescription

AHCA also requires that when a claim rejects causing a delay or potential denial, the Managed Medicaid member has access to an Ombudsman. The Ombudsman is able to assist in getting rejected claims to pay or to resolve conflicts surrounding the coverage of prescription drugs. Pharmacies must be aware of the Ombudsman process so as to adequately provide enrollees with the phone number and information related to the rejection.

CVS/caremark, or its vendor, will conduct on-site surveys in 2015 as required by AHCA. Participating pharmacies that fail any aspect of the HSA survey are required to go through mandatory training within six months and then be re-evaluated within one month of the HSA training to ensure compliance.

Knowledge of and compliance with the Hernandez Settlement Agreement is mandatory and all pharmacy personnel should be trained on the requirements set forth in the regulation as well as with the HSA Survey conducted each year.

The following document is included for pharmacies to review:

- Letter from AHCA explaining the Hernandez Settlement (See page 2)

Reminder: The following managed care organization has a managed Medicaid plan within the state of Florida. The Ombudsman phone number for this organization is provided below.

Molina: 1-866-472-4585



May 3, 2004

TO ALL MEDICAID PHARMACY PROVIDERS

Dear Pharmacy Provider:

As a result of a settlement agreement between the Agency for Health Care Administration and plaintiff's attorneys in the Hernandez vs. Medows lawsuit, effective May 14, 2004, Florida Medicaid is obligated to require posting by Medicaid provider pharmacies of the enclosed notices/signs and to provide pharmacy providers with information pamphlets to be distributed to Medicaid recipients when payment for a prescription is denied for a variety of reasons.

The information pamphlet explains in detail what rights a recipient has if a prescription claim is denied by Medicaid, what the recipient's responsibilities are, what the prescriber's responsibilities are, and provides a toll free number for the recipient to contact an Ombudsman if all conditions are met and the recipient continues to believe the claim should be approved by Medicaid. The Ombudsman will be prepared to handle calls for both fee-for-service Medicaid and Medicaid prepaid health plans.

The enclosed English and Spanish language notices/signs should be posted in a conspicuous location within each pharmacy that provides services to Medicaid recipients. Additional information pamphlets, in both English and Spanish, will be forwarded within the next few days in quantities commensurate with individual provider Medicaid volume.

Medicaid anticipates that most prescription "problems" at the point of sale will generally be minor. They can be handled informally and quickly. However, you are required to provide a pamphlet to a recipient whose claim is actually rejected, when you cannot resolve the rejection during that day's pharmacy visit. In doing so, please either insert in the pamphlet the required date, recipient name, drug name and reason for rejection or attach a printout of the computer screen stating the reason(s) for the rejection. Please notify Medicaid Pharmacy Services at 850-487-4441 when you need to replenish your supply of pamphlets.

It is our sincere hope and intent that these items will assist pharmacy providers in the provision of services to Medicaid recipients. The goal is to reduce staff time and confusion related to claim denials or prior authorization requirements.

Thank you for your cooperation.

Sincerely yours,

Steven A. Grigas
Acting Deputy Secretary for Medicaid
Enclosures



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Visit AHCA online at
www.fdhc.state.fl.us