DEPARTMENT OF HEALTH

Pharmacy Benefit Manager Network Adequacy Submission Instructions

NETWORK REQUIREMENTS FOR PBM LICENSURE

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Regulatory Overview

Under Minnesota Statutes, section 62W.05, pharmacy benefit managers (PBMs) must provide an adequate and accessible pharmacy network that meets the relevant requirements of Minnesota Statues, section 62K.10 (www.revisor.mn.gov/statutes/cite/62K.10). PBMs must submit a report with license and renewal that describes the pharmacy network and access.

Section 62K.10 gives Minnesota Department of Health (MDH) the authority to determine accessibility requirements for PBM networks. MDH determines access through time and distance standards that are measured against Minnesota's population using the latest census data. The chart below depicts MDH's current time and distance requirements for retail pharmacies. Only retail pharmacies are regulated under MDH's time and distance standards.

Minnesota County Class Designation

MDH assesses network adequacy time and distance standards at the county level. Using the federally-facilitated methodology, Minnesota counties are classified into five designations: large metro, metro, micro, rural, and counties with extreme access considerations (CEAC). This approach recognizes population and density differences.

County Designation	Time (minutes)	Distance (miles)
Large Metro	10	5
Metro	15	10
Micro	30	20
Rural	40	30
CEAC	70	60

Large Metro Counties

- Hennepin (large metro)
- Ramsey

Metro Counties

- Anoka
- Carver
- Chisago
- Dakota
- Olmsted
- Rice
- Scott
- Sherburne
- Saint Louis
- Stearns
- Washington
- Wright

Micro Counties

- Benton
- Blue Earth
- Clay
- Crow Wing
- Douglas
- Goodhue
- Isanti
- Kandiyohi
- Le Sueur
- McLeod
- Mower
- Nicollet
- Otter Tail
- Steele
- Winona

Rural Counties

- Becker
- Beltrami
- Big Stone
- Brown
- Carlton
- Cass
- Chippewa
- Cottonwood
- Dodge
- Faribault
- Fillmore
- Freeborn
- Grant
- Houston
- Hubbard
- Itasca
- Jackson
- Kanabec
- Lincoln
- Lyon
- Martin
- Meeker
- Mille Lacs
- Morrison
- Murray
- Nobles
- Pennington
- Pipe
- Pipestone
- Polk
- Pope
- Redwood
- Renville
- Rock
- Sibley
- Stevens
- Swift
- Todd
- Wabasha
- Wadena
- Waseca
- Watonwan
- Yellow Medicine

CEAC Counties

- Aitkin
- Clearwater
- Cook
- Kittson
- Koochiching
- Lac qui Parle
- Lake
- Lake of the Woods
- Mahnomen
- Marshall
- Norman
- Red Lake
- Roseau
- Traverse
- Wilkin

Additional Pharmacy Type Requirements

Only retail pharmacies are required to be measured against time and distance standards. Each PBM, pursuant to Minnesota Rules, part 2737.0800 Adequate Network (https://www.revisor.mn.gov/rules/2737.0800/) must also include at least one of the remaining five pharmacy types. PBMs must demonstrate compliance for the following:

- Home Infusion
- ITU Pharmacies (Indian health services, Tribal organization, and urban Indian organization)
- Long-term care (LTC) Pharmacies
- Mail order
- Specialty

Initiating the Network Adequacy Review

To initiate the network adequacy initial review and renewal processes, please submit an email to PBM Licensing. Use the subject line, "MN PBM License – Network Adequacy." This email must include the following information:

- PBM corporate entity name
- PBM federal employer identification number (FEIN)
- The total number of networks submitted under the license application
- A name for each network
- Primary contact name, phone number, and email address

Using this information, MDH will assign network identification numbers (ID). Returning networks will use the same number as the previous year. Via secure email, MDH will provide the network ID(s), templates, and submission guidance.

Submission Account

Managed Care Systems (MCS) recently launched a portal for document submissions. All documents related to the PBM network adequacy review submission must be submitted through the portal. Portal instructions and access are listed on the Managed Care Systems Portal (www.health.state.mn.us/facilities/insurance/managedcare/portal.html) webpage.

Returning PBM entities and their associated networks will find their information in the portal. If a returning PBM entity needs to add a new network, they may initiate through the portal. New PBM entities require MDH to add their information to the portal before they received access.

Required Documents

The following list is the complete set of documents required for each network.

Network Adequacy Attestation

Submit an attestation for each network. The attestation confirms PBM entities meet network adequacy statutes and administrative rules.

Network Template

The network template reviews the pharmacy network's structure, its service area, and the ability for the network to meet all statutory requirements. It also addresses any network capacity limitations. Please do not complete a network template prior to requesting the initial or subsequent network adequacy review. Once initiated by email, MDH will return a partially complete network template that includes the network name(s) and identification number(s). Complete one network template per PBM entity.

Provider File

Provider files are required for all issuers and contain a complete list of network providers. Use the Microsoft Excel template and submit electronically. Complete one provider file per network.

Validation Button (new)

Before submission, all data must be complete, and all codes and code combinations must be valid. The provider file template includes a validation button to help verify data. Clicking this button will highlight errors in red and provide information on correcting those errors. Due to this change, MDH expects to see zero red highlights. Using incorrect coding changes adequacy results and is a misrepresentation of pharmacy networks. Please do not leave cells blank if information is unknown. Instead, use *null*.

Geographic Access Maps

MDH requires maps to demonstrate that access requirements are met. They are a visual aid, and data should match information in the provider file. Please include all required maps in one PDF. Complete one set of maps per network.

General Mapping Requirements

- Please include a cover page that lists: 1) *PBM Network Adequacy Maps*, 2) PBM entity name, 3) network name, 4) network ID, and 5) map completion date.
- Include labels for each map that list its pharmacy type, network name, and network ID.
- Use colors to aid in understanding and not for visual only.

- Fill out the PDF document properties, include title, author, and subject.
- Include a key with each map to explain the visual information.
- Wherever possible, use 14 (bold), or 18+ font sizes to meet Web Content Accessibility Guidelines (WCAG) 2.1 (https://www.w3.org/TR/WCAG21/) standards.

Service Area Map

Please include a map identifying all Minnesota counties in the network's service area. If the service area is statewide, then the map would show the entire state of Minnesota with language that indicates the state image is the network's service area. Label all counties by name. Please do not plot pharmacy locations on this map.

Retail Pharmacy Time and Distance Map

Please include a map identifying all retail pharmacy locations per network service area measured against the time and distance standard.

Time and Distance Mapping Requirements

- Complete maps using the access criteria of time and distance instead of radius.
- Use current census and *not* participant data. CMS updates census data yearly and information is found on the QHPC network adequacy (https://www.qhpcertification.cms.gov/QHP/applicationmaterials/Network-Adequacy) webpage. Please limit population census data to include only those within your network service area.
- Plot the census data, differentiating between those who have retail pharmacies within the time and distance requirement and those who do not have retail pharmacies within the requirement. Also plot retail pharmacy locations.
- If software program allows, include a detailed report of accessibility in each county in the service area (written analysis). Include the number of potential users, the number and percent of potential users meeting the access criteria, and the number and percent of potential users not meeting the access criteria. Also include the average distance and time to one pharmacy.

Additional Specialty Maps

Plot provider locations only. Please do not plot against population data.

- Home infusion pharmacies
- ITU Pharmacies (Indian health services, Tribal organization, and urban Indian organization)
- Long-term care (LTC) pharmacies
- Mail order pharmacies
- Specialty pharmacies

Waiver Request (if applicable)

A pharmacy benefit manager (PBM) may apply for a waiver from the commissioner of health if the pharmacy benefit manager is unable to meet network adequacy requirements under Minnesota Statutes, section 62W.05, subdivision 1 (https://www.revisor.mn.gov/statutes/cite/62W.05). A waiver must:

> (1) demonstrate with data why the pharmacy benefit manager is not able to meet the requirements; and
>
> (2) include information about the steps that were and will be taken to address network adequacy.

A waiver shall automatically expire after three years. If a renewal of the waiver is sought, the commissioner of health shall consider steps that the pharmacy benefit manager has taken over the past three-year period to address network adequacy.

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To obtain this information in a different format, call: 651-201-5100.