

## **Tennessee Pharmacies Reimbursement Appeal Process**

Leadway Rx values the relationships that we have with each of our network pharmacies, and it is our commitment to you that we will work through any concerns you may have in processing our members claims, including reimbursement issues. The leadership of Leadway Rx comes from a background in independent pharmacy and independent pharmacy ownership, so we fully understand and appreciate the complexity and gravity of issues that can arise with medication reimbursement. We also understand that our patients can't get the care they need without you, and it is our desire to partner with you in a way that is mutually beneficial and reimburses you in a competitive but fair manner. Because of the complexity of the drug pricing system with AWP, ASP, AMP, WAC, NADAC, and what seems like an infinite number of other abbreviations, and the fact that none of those truly reflect the actual cost of the medication; there may be very rare instances where the rate that we set leaves you getting reimbursed less than your cost of the medication or device. If this does happen (on any/all prescription drugs or devices), be assured that was not our intent, and we will work with you to remedy that situation as quickly as possible!

In lieu of our typical process and "Pharmacy Complaint Form," your pharmacy is welcome to submit the "Standard Pharmacy Reimbursement Appeal Form," available from the TN Department of Commerce and Insurance (click here for link to form).

Please Note: If a pharmacy submits an incomplete appeal, our team will hold the appeal open until requested information from the pharmacy has been provided. During this time, our team will reach out to the pharmacy within five (5) business days to request the needed information to continue with the appeal review process.

- Once our team receives the required information for the reimbursement appeal, the timeline for making a final determination outlined in Tennessee regulations shall begin.
- If for any reason, Leadway Rx fails to comply with the timing and notice requirements under Tennessee regulations, the pharmacy's initial appeal shall be resolved in favor of the pharmacy.
   Similarly, if the pharmacy doesn't provide the needed information within ten (10) business days of receipt of the notice from Leadway Rx, the appeal may be denied.

If the appeal is granted/approved:

- Our team will provide:
  - o A written statement and summary outlining the basis for the approved decision
  - o Notification that we have adjusted the appealed rate of reimbursement
  - Detailed instructions for how to reverse and rebill the claim upon which the initial appeal
    was based to ensure that you receive the corrected reimbursement.
- Our team will then adjust the pricing for that item for other similar pharmacies in the network within seven (7) business days for the newly adjusted rate to be reimbursed in the next billing/payment cycle.
  - All similar pharmacies in the state of Tennessee will be notified of the change via email, phone, or fax.

If the appeal is denied:

- Our team will provide a statement and summary outlining the basis of the decision to deny the appeal.
- Our team will provide evidence that we already adjusted the challenged rate of reimbursement, if applicable.
- You will also have the ability to submit an external appeal of Leadway Rx's decision to the
  Tennessee Insurance Commissioner. If you do elect to submit an appeal to the Commissioner of
  the Tennessee Department of Commerce and Insurance, which pursuant to T.C.A. § 56-73206(9)(2), is well within your rights, please follow the steps below:
  - The pharmacy may file an appeal with the Commissioner within thirty (30) days of the pharmacy's receipt of the PBM's final determination. You are able to do so at this site.
  - Leadway Rx must file a response to the appeal to the Commissioner within ten (10) business days of receipt of notice from the Commissioner that Leadway Rx's decision has been appealed.
  - The Commissioner will provide a final determination no later than ninety (90) days after receipt of Leadway Rx's response or the complete appeal from the pharmacy, whichever is later.
  - If Leadway Rx's final determination is overturned by the Commissioner, Leadway Rx must pay the pharmacy within seven days of notification of the Commissioner's decision.
  - If the Commissioner overturned Leadway Rx's decision and approved the appeal of the pharmacy, Leadway Rx must apply the adjusted reimbursement rate to all other similar pharmacies.
  - Leadway Rx will then pay, within thirty days, all costs associated with the appeal process performed by the Department.
  - Step by step instructions may also be found at the <u>Tennessee Department of Commerce</u> and Insurance website.

Should you have any questions at all regarding Reimbursement Appeals or the Reimbursement Appeals Process, please contact

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