CCO Implementation Guidance: 365-Day Coverage for Specified Hormonal Medications

Effective January 1, 2027, coordinated care organizations (CCOs) are required to reimburse for up to a 365-day supply of certain preferred hormonal drugs, when prescribed. (Refer to Ex. B, Part 8, Sec. 4, Para. k in the 2027 CCO Medicaid and OHP Bridge-Basic Health Program Contracts.) The hormonal drugs subject to this contract requirement include drugs in Standard Therapeutic Classes 53, 60, 61, and 62 and in Specific Therapeutic Classes P1M, P1P, and V1O as set forth in OAR 410-121-0146.

This document contains a list of Frequently Asked Questions intended to help provide clarity around implementing this change.

Frequently Asked Questions (FAQs)

1: Questions about prescription length

***Question*:** Does this contract requirement mean an OHP member can pick up a full year's worth of medication at once or that the prescription is good for one year?

> ***Answer***: This requirement allows a member to pick up to a 365-day supply of medications at one time, when prescribed, for select drugs covered by this requirement. The Board of Pharmacy regulates what can be dispensed. This requirement does not impact dispensing rules for pharmacies, just what must be covered by a CCO.

***Question*:** Is the length of the prescription decided only by the provider or can the CCO set a limit?

> ***Answer***: Prescribing practices remain unchanged. CCOs cannot set a limit shorter than the 365-day period, when prescribed, on select drugs covered by this contract requirement.

***Question*:** Is there any expectation for CCOs to verify or document that a member is clinically stable before allowing the longer supply, or should the prescriber's prescription be sufficient as long as the member otherwise meets existing coverage requirements?

> ***Answer***: The prescriber's prescription should be sufficient as long as the member otherwise meets existing coverage requirements.

Question: Are CCOs allowed to limit prescription length for non-preferred drugs?

> ***Answer:*** CCOs are allowed to reimburse pharmacies for less than 365-days for non-preferred drugs per OAR 410-121-0146.

***Question*:** Does this contract requirement require any changes to existing clinical criteria or prior authorization requirements, or is the expectation to make the pharmacy/claims configuration changes needed to allow the longer day supply when a member otherwise meets existing requirements?

> ***Answer***: OHA expects CCOs to make the pharmacy/claims configuration changes needed to allow coverage for up to 365-days of dispensing when a member otherwise meets existing requirements.

2: Questions about covered drugs

***Question*:** Will OHA send out an NDC or GPI list so we can make sure we capture all products?

> ***Answer***: OHA has included identifiers for Standard Therapeutic Class and Specific Therapeutic Class in the NDC code spreadsheet for the OHP gender affirming care carve-out for youth. This spreadsheet, 'OHA GAC Code List for Carve Out_10_02_26', can be found on the CCO Contract Forms webpage

under “Other Reports’. Although the carve-out spreadsheet includes additional drugs not covered in OAR 410-121-0146, CCOs can use the specific and standard therapeutic classes to identify relevant products for 365-day dispensing.

Please note that a tab detailing quarterly updates to this NDC spreadsheet has been added to the “Drug Carve-Out List” posted to OHA's Pharmaceutical Services Program webpage. It was first posted in mid-October and will be updated every three months thereafter.

***Question*:** How does this contract requirement apply to provider-administered drugs like injections? What about drugs that could be administered/injected by parent to their child?

Answer: As set forth in OAR 410-121-0146, this requirement applies to reimbursement for pharmacy providers only. There is no change in reimbursement for other provider types.

***Question*:** Is coverage for up to 365-day dispensing possible for testosterone (or any other controlled substances under this care)?

Answer: This contract requirement requires CCOs to cover up to 365-day dispensing of certain pharmaceuticals. For testosterone or other controlled substances, pharmacies can dispense up to the maximum amount (when less than 365 days) allowable under state and federal law. CCOs can continue to implement policies consistent with state and federal laws for dispensing of controlled substances.

***Question*:** Do formulary and utilization management (UM) restrictions still apply for medications? For example, many CCOs prefer less costly testosterone formulations over more costly products. Or will all agents be required to be covered?

Answer: Yes, clinical UM and “formulary” restrictions can still be implemented by CCOs. Nothing prohibits CCOs from implementing utilization controls to determine that the diagnosis, drug, and dose are

medically appropriate and necessary before allowing a 365-day supply. This policy for 365-day dispensing of select hormones applies to preferred formulations that do not require refrigeration.

***Question*:** Can a CCO apply an indication review, allowing up to a 365-day supply of these hormone medications only for gender affirming care, thereby disallowing this number of fills for any other indications?

Answer: No, pharmacy reimbursement outlined in OAR 410-121-0146 applies to all preferred products that can be stored at room temperature in the listed drug categories regardless of diagnosis.

3: Other Miscellaneous Questions

***Question*:** Will OHA communicate this to contract requirement to pharmacies and providers, or is communicating with pharmacies the responsibility of CCOs?

Answer: OHA shared a memo, *Amended dispensing limitations for certain hormone medications*, regarding the rule change (which mirrors the CCO contract requirement) on July 10, 2026. A very similar one-page version of this memo was distributed by fax blast to enrolled pharmacies on July 12, 2026. We encourage you to share information about this requirement with your contracted pharmacies and affected providers, as you do with other contract requirements.

***Question*:** Was the shortage of hormone therapy medications that has been happening considered with this change?

Answer: OHA is aware of shortages for certain medications. Shortages generally dictate what pharmacies can dispense. As with any shortage, managing medications is at the discretion of the pharmacy.

***Question*:** What about cost of this contract requirement? Was it taken into account for 2027 CCO capitation rate setting?

Answer: OHA relayed information regarding this contract requirement to Marsh (fka Mercer), which considered its impact as part of 2027 capitation rates setting. The impact of this requirement in isolation was not material enough to warrant explicit pricing, but its impact on medical costs was considered in connection with the totality of other contract and program changes.